Fresh fears over

airport security, Page 2

No. 29,895

Friday April 4 1986

World news Business summary War of Genstar words

in TWA bombing Italy and Egypt yesterday accused each other for the failure in secur-GENSTAR, Canadian financial ser-

ity measures which led to the explosion in a TWA airliner over Greece and the death of four of its Mr Oscar Scalfaro, the Italian In-

terior Minister, said a known ter-rorist suspect boarded the aircraft in Cairo and disembarked in Athens on the first leg of the airliner's journey. The man occupied exactly the place where the explosion occurred on the return leg from Rome to Cairo.

The Italian allegations were hotly denied by an Egyptian security official in Cairo who said yesterday that aircraft left here completely

Koivisto moves

A strike by more than 15,000 employees, including his own service staff, forced Finnish President Mauno Koivisto to move from his Helsinki palace to a state guest house in the suburbs.

Sabah poli

New elections will be held in Malay-sia's politically troubled Sabah state on May 5 and 6. Page 5

Moscow says no

The Soviet Union will not accept the invitation to observe US nuclear weapon tests in Nevada, a Moscow atomic energy offical said in Gen-

Chile protest

Riot police and troops in combat uniform sealed off the copper town of Chaquicamata as 1,500 miners staged a protest march against Chile's military Government.

IMF ordered out

Peru has ordered the International Monetary Fund to close its mission in Lima because the Government did not "accept financial commissars of any kind."

Aquino paid

President Corazon Aquino has received her first pay cheque of 8,804.70 pesos (\$440) for her first 34 days as Philippine head of state.

Beirut clashes

Sporadic fighting between Shia Moslems and Palestinians broke out in Beirut, threatening to reignite clashes in Palestinian camps, residents said

Observers quit French ceasefire observers in Leba-

non left for home, ending a twoyear mission monitoring clashes among rival militias in Benut.

Taxed forms out.

The Portuguese Parliament voted to abolish the taxed paper forms on which applications to official bodies must be made in an attempt to smooth bureaucratic procedures.

Sentence extended

Sergei Khodorovich, administrator of a fund founded by exiled Soviet writer Alexander Solzhenitsyn to aid families of Soviet political prisoners, has been sentenced to a second consecutive term in a labour

Trade talks continue

West German Economics Minister Martin Bangemann said trade talks with Soviet officials were not affected by Bonn's Star Wars research pact with the US signed only a week ago.

Singer dies

Tenor Sir Peter Pears, one of Britain's best known singers and lifelong friend of late composer Benjamin Britten, died aged 75.

accepts **sweetened** Imasco bid

vices and property group, accepted an increased C\$58 (US\$41.7) a share offer from Imasco, the food, tobacco and retailing group. Page 21 WALL STREET: By 2pm the Dow Jones industrial average was up 0.84 at 1,796.10. Page 44

TOKYO: Wary investors sent the market plunging downwards but a late rally recouped some of these earlier losses. The Nikkei average registered its fourth steepest fall ever of 283.27 to 15,272.24. Page 44 LONDON: Stores led the charge upwards on takeover attempts in the sector. The FT Ordinary index closed 6.5 higher at 1,425.9 and the FT-SE 100 added 14.7 to 1,717.6.

DOLLAR finished higher in London closing at DM 2386 (DM 2375), SFr 1.996 (SFr 1.9825), FFr 7.395 (FFr 7.295) and Y179.65 (Y179.5). On Bank of England figures, the dol-lar's exchange rate index rose to

120.8 from 119.9. Page 37

STERLING was weaker against the dollar in London, closing at \$1.458 (\$1.4715). It also fell to DM 3.4775 (DM 3.495), SFr 2.91 (SFr 2.9175) and Y262.0 (Y264.25) but was higher at FFr 10.7825 (FFr 10.735). The pound's exchange rate index was unchanged at 76.5. Page 37

GOLD fell \$2.25 an ounce on the London bullion market to \$333.25 and was \$1.30 lower in Zurich, at \$335.25. In New York the Comex june settlement was \$338.2. Page 36

CONSOB, Italian Stock Exchange regulatory authority, has tightened its rules on options trading, making it compulsory for dealers to prove they hold options before they sell them. Page 21

CREDIT LYONNAIS, second largest nationalised French bank, said a more favourable tax position and savings on non-recurring items beloed lift its net profit by 19.8 per

cent to FFr 442m (\$61.8m) Page 21 US BANKRUPTCY court approved a settlement plan for ESM Government Securities under which creditors will receive \$35m of the \$320m

they are owed. Page 21 **SEVEN** leading Canadian securities dealers have set up the first jointly owned mutual fund management

company in North America. Page 21 CONSORTIUM headed by Justus Dornier, West German industrialist, has dropped its bid for Canadair, Canadian Government-owned aerospace group. The five remaining potential buyers are all Canadian. Page 21

COMPANIES

HOOGOVENS, Dutch steel maker is stepping up its dividend and plans a rights issue after a 35 per cent increase in net profit to F1 278.8m (\$106m) for 1985. Page 21

PHILLIPS PETROLEUM, US integrated oil company, plans to reduce its workforce by between 2,000 and 2,500 in response to the changing economic climate in the oil industry. Page 22 .

GPA, UK-based aviation leasing company which claims to be the world's largest, is about to complete a \$125m private share placement in Japan, the US and Britain. Page 21

HONG KONG holding company Cheung Kong more than doubled profits in 1985 to HK\$551.7m (US\$70.6m). Page 23

III, US-based telecommunications conglomerate, said Harold Miller, who presided over the failure of attempts to adapt its System 12 telephone switching system to the US market, had been moved to a "special assignment." Page 21

Natal moderates seek multiracial provincial assembly

MODERATE political and community leaders of all races yesterday began a controversial attempt to replace the present racially divided provincial government of South Africa's Natal province with a single, multiracial legislative assembly which could set a precedent for a future non-racial, federal structure for the country, writes Anthony Robinson in Durban. The so-called Kwazuh-Natal "In-daba," the Zalu word for a meeting

Hall with more than 30 delegates representing the province's main political and economic forces but was boycotted by radical political groups from both left and right. The aim of the "Indaha," which is expected to last for at least three months, is to replace the province's

dominated Natal provincial admin-

of chiefs, opened in the Durban City

assembly for the entire province. The National Party Government

1981, remains noncommittal about which operates on the basis that the idea. But it agreed to send ob- the time for dialogue, reconciliation servers to the Indaba in the form of and negotiation is past. They be-

(ANC) and United Democratic
Front (UDF) to the right-wing white
Conservative and Herstigte Nasionale Party (HNP) refused to take
"Any force which is opposing apar-

istration and the black homeland of participating could expect strong in- he said in his opening remarks. Kwazulu with a unified legislative timidation from what he termed saboteurs.

Describing the indaba as a "potin Pretoria, which originally reject- ential turning point in the history of ed the proposal when first advocated by the Buthelezi Commission in warned: "There is a strong lobby adding local party politicians.

Nine black radical and white conmiss, burn and kill each other in servative gorups - ranging from the order to bring about change. We say banned African National Congress such a moment has not come as

part in the proceedings.

Chief Gatsha Buthelezi, Chief

Minister of Kwazulu and one of the

Minister of Kwazulu and one of the

Minister of Kwazulu and one of the key movers in the indaba idea - gether or permit people at the re-which has been fiercely attacked by gional level to do the same, has no radical blacks - warned that those democratic right to be in politics,"

The indaba takes place against the background of increasingly vio-

lent rivalry between the Inkatha movement, with more than 1m members led by Chief Buthelezi, and the ANC inspired UDF. This rivalry is particularly intense in the Kwazulu shanty towns around Durhan where both organisations are fighting for support Last weekend violence erupted

again at the black educational conerence - which had decided to end boycott of black township schools - and led to be death of two Inkatha supporters who were accused by the conference organisers of deliberately seeking to intimidate the meeting.

Ten days ago, the Natal University offices of Professor Lawrence Schlemmer, one of South Africa's

leading social scientists who has provided much of the research destroyed in an arson attack.

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fer to negotiate safeguards for

Cheaper oil forces

Moscow to cut

Western

BY PATRICK COCKBURN IN MOSCOW

THE Soviet Union will reduce its

foreign imports by between a quar-

ter and a third this year, Mr Boris

Aristov, the Soviet Foreign Trade

The cut in Soviet imports from

Western industrialised countries,

which totalled \$26bn last year, is

the result of the fall in the price of

oil, which makes up 60 per cent of

Soviet officials have made clear

to Western diplomats that Moscow

is not prepared to finance its pres-

ent level of imports through bor-

rowing. The likely casualties are

big projects and consumer goods, while imports of equipment for the oil and energy industries, agricul-ture and the refurbishment of exist-

ing plant are likely to receive priority.

The Soviet Union is the world's

largest oil producer with an output-

of some 12m barrels a day (b/d),

consuming some 8.8m b/d itself in

1984 and exporting the remainder

The Soviet Union traditionally

ket in the first quarter of the year,

when its internal demand is at a

peak. It is now negotiating with its

contract customers in an attempt to

return to the market, by offering

netback deals which guarantee ref-

But a trader said yesterday: "The

offer to date still works out at about

\$13 a barrel, which is not attrac-

Meanwhile, Mr Vasili Dinkov, the and France

Soviets are flooding the market with proposals, not oil. Their best to take more of their exports to redress an adverse trade balance.

iners a profit.

to East and Western Europe.

Soviet hard currency exports.

Minister, has told

Western imports

tion" point to several unique factors which make Natal the logical starting point to break down artificial apartheid barriers. The province has a high proportion of English rather than Afrikaans speaking whites as well as 90 per cent of the country's 900,000 Indians. Furthermore, the Zulus, who number more than 5m, are led by one of the few black leaders who is willing to negotiate for something less than one man, one vote and is prepared to of-

Soviet Oil Minister, has said that

Soviet oil enterprises have kept

high production rates this year, not-

ably in the crucial oil province of

Tyumen in west Siberia. Last year.

tonnes compared with 613m tonnes

Soviet oil output was down to 595m

Mr Dinkov singled out inade-

quate repair services as a major

reason for the Soviet oil industry

failing to meet its targets. Accord-

ing to the Daily Trud, the number

of wells not producing in west Sibe-

ria has grown from 4,280 to 4.883.

Union is unclear because it is large-

tin Bangemann, is having talks i:

Moscow. West Germany may be

particularly vulnerable, in trade

balance terms, to Soviet cuts in im-

ports because it is less able than

France and Italy to reduce Soviet.

gas imports. Both France and Italy have pressed the Soviet Union hard

power stations.

rejects work and intellectual input behind the "Kwanatal" concept, was also Supporters of the "Kwanatal op-

Sanctions call welcomed, Page 5; Editorial comment, Page 18

£1¾bn takeover

Britain's

Woolworth

By Charles Batchelor in London

DIXONS, a fast-growing British electrical retailer, yesterday launched a \$1%bn (about \$2.50bn) takeover bid for Woolworth Holdings, the UK stores group. Woolworth rejected the Dixons bid as "unrealistic and unacceptable." A successful bid would create

The Dixons bid follows a series of takeovers and mergers which have altered the shape of British retail-ing. Habitat-Mothercare and Brit-ish Home Stores arranged an amicable merger, and Burton acquired

Britain's sixth biggest retail group

Debenhams after a tough battle. Woolworth Holdings has no connection with Woolworth of the US which sold its 52.6 per cent controlling interest in 1982. Woolworth has been the subject

of intense stock market speculation in recent weeks with Dixons only one of a number of retailers suggested as potential bidders.

The bid comes only 15 months after Dixons acquired Currys, its main electrical retailing rival, in a bitter £248m campaign. It is also only 3% years since a new manage-ment team headed by Mr John Beckett, former chief executive of British Sugar Corporation, and backed by a group of UK financial institutions took control at Woolworth in an attempt to improve its

"sleeping giant" image. Mr Stanley Kalms, Dixons chair-man, said: "Woolworth derived quick benefits from the sale of property and better housekeeping but it's now left wandering in the High The seriousness of the general energy situation facing the Soviet retailing strategy.

"There's no design in the Woolly dependent on the success of plans to substitute gas for oil in worth's shops to make them attractive. People go in for their pick and mix' sweets, spend a quid and then they're off." The fall in Soviet oil revenues is Dixons plans to achieve an imme-

bound to affect Moscow's trading diate improvement by repositioning partners, particularly in Western Europe. In 1984, out of total Soviet the various departments in Woolhard currency exports of \$31bn some \$22bn went to Western worth's stores to give greater prominence to more expensive - and more profitable - items. Moscow's biggest trading partner

Within the space of three to four in the West is West Germany, years it plans to convert them into whose economics Minister, Mr Marore attractively designed stores concentrating on the areas of home, entertainment and leisure. In practice this means a greater

emphasis on do-it-yourself items. gardening, personal care products, kitchen appliances, cookware records and tapes. The combined group woud have a

total of 1,725 stores - 875 from Woolworth - with a total sales area of Continued on Page 20

The easiest way for the Soviet Union to do this is to take more of Lex, Page 20; Background, Page 26 its agricultural imports from Italy

China slashes N-power plans and role of foreign groups

BY ROBERT THOMSON IN PEKING

CHINA yesterday announced a significant slowing down of its mudear power programme. One important project has been postponed indefinitely, and all future plants will be built for the most part with

Li Peng, a Chinese Vice Premier, said yesterday that a 2,000 MW plant planned for Sunan, near Shanghai, for which West Germany's Kraftwerk Union and Framatome of France had been bidding for more than seven years, was un-

tion. "I don't think there will be an ambitious plan for building nuclear de France, and Britain's GEC.

power stations," the vice premier He said that "in the future we

The Chinese decision, largely based on the cost of technology from the West, will drastically re-duce the scope of a market previously estimated by foreign companies to be worth up to \$20bn over the next decade.

Li also said that China would send a study group to examine nuclear power techniques in the So-viet Union in a visit which could lead to a nuclear co-operation agreement between the two coun-

Agreement was reached on the visit during the first meeting in operation_

erly awaited a Sino-US nuclear co-operation agreement, formally com-positive approach to the scheme.

China is to scrap the dual currency system that was intended nter illegal currency dealings but, in practice, has encouraged the black market. Foreign exchange certificates (FECs) will be abolished and the country will use only Renminhi, the non-convertible Chinese currency. Page 5

oleted late last December, enabling US companies to sell equipment in

WESTLB INTERNATIONAL, Landlikely to go ahead.

Alkely to go ahead.

China will no longer import complete plants, as it has for the \$4 lbm clear power stations by the end of the century. Li said yesterday, however, that nuclear power would now long to a record bank, increased its operating profession. By 23 per cent to a record by 150m (\$63.6m). Page 21

mainly rely on our own efforts for building power stations" and will change the practice of importing nuclear power stations from abroad. Only one plant using Chinese-made equipment is under way. That facility at Qinshan, near Shanghai, has apparently been under construction since 1972.

Li also announced that a committee had been set up to examine the feasibility of the proposal to build the massive Three Gorges dam on the Yangtze River in south-west

The project, which has been discussed for over three decades, could Peking last month of a Sino-Soviet cost between \$10bn and \$20bn and commission on economic, trade, involve the resettlement of thouscientific and technological co- sands of people. The dam would bring "very important results" in The change in Chinese policy is a power generation, navigation and blow to US companies who had eag- irrigation, Li said, but the Govern-

US view on prices changing, says Opec

By Dominic Lawson in London OPEC's president claimed yesterday that the US had changed its stance on world oil prices.

Dr Arturo Hernandez Grisanti, who is also the Venezuelan Oil Minister, seized on remarks made by Mr George Bush, the US Vice President, that he would be telling Saudi Arabia in a forthcoming visit that oil prices should be stabilised.

Until now, Dr Grisanti said, the US had said that prices should be left to the market. The Opec president urged Mr Bush to "talk to the British about

Saudi Arabia is likely to give Mr. Bush a similar message, but the UK Government is adamant that it should be left to the operating companies to decide on any cuts in North Sea produc-

Onec ministers confirmed ves terday that they are to meet in extraordinary session in Geneva on April 15, quashing market speculation that the meeting had Brent oil prices were slightly

weaker yesterday with an April cargo sold at \$10.87 a barrel compared with Wednesday's trading range around \$11.15. The \$10 barrier was broken for the first time since early this week when a cargo of Brent for delivery in July was sold at \$9.90 a barrel.

Prices on the New York Mercantile Exchange were little changed on the day, with May contracts of West Texas crude quoted at \$11.50 a barrel.

Mr Peter Beutel, oil analyst at Rudolf Wolff in New York, said: "The market is confused by recent petro-politics on the part of Opec and the US."

Amoco UK plan blocked, Page 8; Phillips Petroleum job cuts, Page 22

EEC plans import restrictions in retaliation for US quotas

EUROPEAN Community countries ference of the Organisation for Eco-and officials from the Commission nomic Co-operation and Develop-in Brussels have started to draw up ment checks the process. will from May 1 place an un-fied quota on high quality wine from the EEC. This trade

in US-EEC commercial relations, Because temporary import con-unless a high level meeting planned trols have been placed on Portu-on the side of the ministerial con-

Common Agricultural Policy and

in Brussels have started to draw up a list of US products on which import restrictions could be placed next month.

Restrictions would be retaliation for a series of quotas the US decided late on Wednesday to place on Community products.

The main suppliers are Fra West Germany and Italy.

West Germany and Italy.

Again from May 1, the US Trade Representative, will meet Mr Willy de Clercq and Mr Frans cided late on Wednesday to place on Community products. per cent of the Portuguese From July 1, the US plans to tariffs by an undisclosed amou EEC sausages, cheese, vege coffee extract, gin, whisky, b and mineral waters.

BY PAUL CHEESERIGHT IN BRUSSELS

These are the latest moves in the and agriculture.

They signal a fresh deterioration common customs tariff.

transatlantic tit-for-tat squabble The current dispute springs from over the trade effects of Spanish the measures being taken to fit and Portuguese entry to the Com- Spain and Portugal into the EEC's

Pinance ministers meet. Par Feature, Page 18

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Wine maker from north-east Italy detained by police

arrested a wine maker in the Emilia-Romagna region of north-east Italy on charges of being involved in the production and sale of adulterated wine.

The arrest appears to confirm

with an illegally high content

The Ciravegna family is be-

in Apulia, in the south-eastern heel of Italy. Yesterday Mr Fusco, who was already under investigation for causing death and injury by breaking the wine regulations, was arrested.

Police yesterday also arrested fears that the origins of the poisonous wine, which has already killed 15 people, are more widespread than was first thought.

Fonce yesterday also affested five men on charges of trading in methanol. Though trade in methanol is not controlled, the men—who came from Mantua in the region of

of methanol.

The wine has been sold to distributors in the regions of the Veneto. Alto Adige, Piedmont and Tuscany.

Previous arrests had been in Piedmont, where the winery belonging to the Ciravegna family at Narrala is believed to be the at Narzole is believed to be the ated in Piedmont. Wine found source of large quantities of to contain excess methanol has adulterated wine sold in Piedalso been found in Tuscany, hav-

Rome holds back from agreement on Star Wars

BY OUR ROME CORRESPONDENT

under the Strategic Defence such Initiative (SDI) programme.

This was made clear to MPs

when such an agreement might

The arrested man, Mr August Emilia and Ravenna in Solarolo near Ravenna which is region of Emilia-Romagna—were said to have sold the businesses which were either non-existent or had

mont, Lombardy and Liguria, ing been supplied from Emilia and elsewhere.

The Ciravegna family is be-lieved to have obtained wine in ous wine mounted, there has bulk from an operation run by been a drastic drop in sales of Mr Antonio Fusco in Manduria low and medium quality wines

THE ITALIAN Government is pointed out that an internot yet prepared to make an governmental agreement would agreement with the US Adminis- make Italian participation in ment which would allow Italian SDI easier. Both Britain and companies to bid for contracts West Germany have signed agreements, the latter only last week.

The question of Italian in Rome yesterday during a participation in SDI is contro-long - awaited parliamentary versial in Italian political debate on Italian participation circles. Within the Government in SDI, commonly known as of M Bettino Craxi some mini-Star Wars.

Mr Giovanni Spadolini, the Strs, notably Mr Giulio Andreotti, the Foreign Minister, Minister of Defence, told MPs that Italian companies could not participate in SDI in the absence of an inter-governmental agreement between Italy and the US.

Mr Giovanni Spadolini, the Andreotti, the Foreign Minister, are known to have doubts about the wisdom of Italy giving political support to the Star Wars programme. The large ment between Italy and the US.

Industry, on the other hand, be reached.

Although Mr Spadolini did contracts and fears that it not say so, it is known that the US Government has always delayed any further.

Project finance plan unveiled by Delors

SENIOR EUROPEAN industrialists and the European Commission have joined to gether to offer new schemes for the financing of major infrastructure projects.

They are proposing the identification and execution of projects of European interest and the use of new financial instruments, attracting concessional tax treatment, to promote the integration of the European market and stimulate growth.

Such projects would include Scan-Link, the FFrs 21bn (£297m) plan to improve road and rail connections between Scandinavia and continental Europe, and the so far uncosted proposals for high speed rail links betwen France, Belgium, West Germany and the Nether-lands, linked to the Channel Tunnel project.

The proposals were presented The proposals were presented yesterday by Mr Jacques Delors, president of the European Commission, and Mr Pehr Gyllenhammar, chairman of the Roundtable, a group of 23 top executives from the main European industrial companies. pean industrial companies.

These companies include Fiat and Olivetti of Italy, Renault and Matra of France, Plessey and Pilkington of the UK, Philips of the Netherlands, and Siemens and Thyssen of West Germany.

The Roundtable and the Commission had talks in Brussels and adopted a consultant's report on promoting and finan-cing large scale infrastructure projects in Europe. The report was prepared by Telesis.

Mr Gyllenhammar noted that major projects tended to lack promoters. Governments, often in deficit, were no longer keen to provide funds.

But the problem, according to the Telesis report, is that the capital markets in Europe, apart fro mbeing fragmented nationally because of exchange controls and different tax systems, are underdeveloped when it comes to risk investments in new projects. In an attempt to come to

terms with this, the Roundtable that where projects offer an internal rate of return above the cost capital, project finance should be mixed with equity and a new tax treatment on the new satellite to a Eur dividends from the investment.

US focuses attention on improving security

THE LATEST TWA airliner by the TWA flight attendants' perts and the US Government, bomb tragedy has refocused the union whose 6,000 members are attention of both the US Government. The union charged ernment and the airline industry that the FAA had permitted determined terrorist attacks.

ing security on the international routes served by US airlines.

Yesterday, in response to the bombing, President Ronald Reagan ordered Federal Bureau Reagan ordered receral Bureau of Investigations (FBI) and Federal Aviation Authority (FAA) investigators to Rome to find out what went wrong with the screening of passengers, their luggage and others with access to flight \$40. Meanwhile the National Pilots Union, which staged a successful

protest against terrorism in 1977, said that it was considering organising a worldwide boy-cott against governments found responsible for terrorist acts. "We must isolate offending

nations from goods or services," said Captain Thomas Ashwood vice president of the union. "I know of no other approach." The pilots' protest was echoed

crew members increases that risk," said a union representarisk," said a union representa-tive.

Among these curbside baggage checking has been pro-the cabin staff industry ex-hibited for international flights

TWA to ease some of new security training and requirements imposed after the Beirut hijacking and Rome and Athens airport massacres.

In particular the flight attendants claimed that the FAA had not cent secure by turning it. In particular the flight atten-dants claimed that the FAA had dants claimed that the FAA had per cent secure by turning it waived newly-imposed special into an armed camp."

The national pilots' union is considering organising a worldwide boycott against governments found responsible for terrorist attacks.

security training for aircraft Aside from the special train-crews at TWA, which has been ing mandated by the FAA— hiring non-union cabin staff. As which mainly consists of school-a result, the union claimed, only ing airline employees in alertone of the four flight attendants ness—the US airlines and regu-on the stricken aircraft was ex-latory authorities have imposed perienced. "We are a high-risk a number of other measures in airline and using inexperienced the wake of the previous terrorist attacks.

and both airports and the airlines have been required to of passengers.
more closely screen the backgrounds of new staff
The US airlines have toughened up their ground and inflight security procedures since the latest attacks. Pan Am and averaged what its measures.

Nora Bousts

said yesterday that its measures were "constantly reaching new plateaus." But like other carriers both Pan Am and TWA are reluctant to discuss specific details.

In spite of this stepped up vigilance there are other key areas that security experts and the airline unions thirk should be addressed.

In particular TWA flight attendants argle that all haur luggage should b ebanned from aircraft at least visually inspected instead of relying upon the traditional airport X-ray machines. Security experts say that they

face two main problems in improving the safety of air travel—the difficulty of detecting non-metallic weapons and

At Tel Aviv for example, Check-ins routinely take fluch longer than elsewhere and have seriously disrupted airline

schedules. Nora Beustany writes from Beirat: A Palestinian group apparently linked to the complex and obscure guerrilla figures of Abu Nüdnal has claimed responsibility for the bomb planted aboard the TWA aircraft.

An anonymous caller with a Palestinian accent telephoned Beirut newspapers and foreign news agencies to amounce that the "Arab Revolutionary Cells" had placed the bomb. The action was in retaliation against "American aggression sgainst Libva."

No group has yet claimed credit for the disappearance of two British teachers, Mr Leigh Douglass and Mr Philip Padfield, reported missing in Beirut since last Friday.

Krakow steelworks shuns plan

POLAND'S largest steel producer, the Lenin Works in Krakow, has refused to join an officially sponsored organisation aimed at integrating the industry effectively into one production unit.

The development occurs after the Steel Ministry's integration proposals have come under fire both inside and outside the Government as running counter to Poland's decentralising economic reform.

There has also been consistent opposition by several democratically elected workers self-management councils in the industry.

mills and other companies in the industry agreed to join an organisaoriginal statute, limiting company independence, has been watered

The Steel Ministry has approved the new grouping now dominated that the Katowice works have won by the large Katowice steel mill, the edge over Krakow in the race built in the 1970s, which stands to for funds. gain considerable investment funds from the move. This has been de- four other mills including the War-

Finally, last month, more than 30 with the letter and spirit of the re-

tion co-ordinating production whose which are in dire need of investment funds, were originally very much in favour of the integration down as a concession to reforming plan but now say it is against their

Meanwhile, workers councils a

fended by Mr Jerzy Urban, the gov-ernment spokesman, as "in line to join the new grouping."

This apparently reflects the fact

Portuguese vote forces ban on stamped paper

THE PORTUGUESE Parliament has voted to abolish the use of official stamped paper - one of the to be phased out as part of a most pervasive and least popular general fiscal reform. facets of the country's slow-moving bureaucracy - in a move that exposed the vulnerability of the minority Social Democrat Government to a united opposition.

Opposition parties on the left and right united behind the proposal which calls for the abolition of fiscal paper, known as "papel selado," be-fore the end of 1986. The Govern-

because it wanted use of the paper

The measure will spare businesses and ordinary citizens some of the frustration and expense invoived in coming to grips with Purtuguese red tape. Foreign investors, for example, have had to present lengthy volumes of proposals on the official paper which costs Es 40 (40 US cents) a sheet.

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Sale

France cancels TV satellite concessions

BY PAUL BETTS IN PARIS

THE NEW French right-wing government has decided to cancel the concessions granted by stration to operate channels on France's TDF-1 direct broadcasting television satellite as part of its broadcasting reform powerful High Authority. This and deregulation programme.

Three days before last month's legislative elections the Socialist Government gave the touch with the Luxembourg go-shead for two the new satellite to a European including Mr

Robert Maxwell, Mr Jerothe bourg Seydoux, Mr Silvio Berlusconi and the West German Kirsch film production group.

The Government intends to set up a national broadcasting commission to replace the less will tender out again the satel-lite channels to bidders.

authorities to improve relations

the previous administration's tent to cancel Mr Seydom's undisguised efforts to under- and Mr Berlusconi's concession

and had also bid for the Fifth which the Socialist granted to one of two of the country's Mr Jerome Seydoux and Mr three national state television Silvio Berlusconi.

mine the ambitions of the but is awaiting the outcome of Compagnie Luxembourgeoise de the imminent raling on this Telediffusion (CLT) to extend issue from the Conseil d'Etat, its penetration of French one of the country's major field-broadcasting.

CLT has been keen to gain. The other priority of the a channel on the TDF-1 satellite right's broadcasting programme Channel, private nationwide its communications and culture television network concession minister, is the privatisation of

The DnC Group. Banking that helps you realize good ideas.



Did you know that the world's largest passenger ship now cruises the Caribbean under the Norwegian flag?

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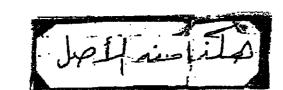
changed their name during the early part of 1986.

Nordic Bank PLC has therefore changed its name.

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EUROPEAN NEWS

Irish budget likely to increase business incentives

BY HUGH CARNEGY IN DUBLIN

TUMBLING oil prices have had Inflation, wrestled down to a speedy impact on Ireland's energy-importing and debtheavy economy, putting a longabsent spring in the Government's step as Mr John Bruton, the Finance Minister, unveils his Finance Rill today

Inflation, wrested gown to five per cent last year, is now set to average 3 per cent this year, assuming an average oil price of \$17 a barrel, and one minister predicted zero inflation by early next year.

his Finance Bill today.

The effect is not wholly bene-The effect is not wholly beneficial, but the outlook facing Mr Bruton is considerably brighter than it was when the budget he is now to give legislative effect to was announced in late January by Mr Alan Dukes. Mr Bruton took over from Mr Dukes in a cabinet reshuffle in February.

He is not about to change the main thrust of the budget, which maintained the Fine Gael-Labour coalition's tough fiscal regime but shifted some of the heavy Pay As You Earn

reshuffle in February.

He is not about to change the main thrust of the budget, which maintained the Fine Gael-Labour coalition's tough fiscal regime but shifted some of the heavy Pay As You Earn (PAYE) tax burden onto indirect taxes and extra taxes on the financial sector.

However, he is likely to average about twice the infiation rate or more, the scene is set for a rise in consumer spending. GNP growth should outstrip earlier forecasts of about 2 per cent this year.

The Government, doubtless eyeing the opinion polis, has carried in rate or more, the scene is set for a rise in consumer spending. GNP growth should outstrip earlier forecasts of about twice the infiation rate or more, the scene is set for a rise in consumer spending. GNP growth should outstrip earlier forecasts of about 2 per cent this year.

The Government, doubtless eyeing the opinion polis, has an authorised building societies and cautioned building societies.

Tax (known scornfully by its acronym Dirt) by exempting

by early next year.

Petrol prices, which not long ago were around IE3 (£2.65) per gallon, are set to fall this weekend to I£2.60 or less.

The cost of borrowing for industry, currently at more than 15 per cent, should tumble soon and with pay rises likely to average about twice the infla-

on the financial sector.

However, he is likely to announce additional incentives for industry and take some of the sting out of a new 35 per whiskey costs about 1212 a cent Deposit Interest Retention

The Character searchfully by its announced.

For a Government used to almost unmitigated economic gloom since it took power in late 1982, and which plunged to record lows in the opinion polls around budget time, the sudden upturn is welcome

Turkey moves to boost banking

THE Turkish central hank has bank lending, the lack of which has been regarded as one of the main shortcomings of the Turkish banking sys-

Under the scheme which began operating on Wednesday
the central bank will handle
requests from the commercial
hanks to lend or borrow
funds. Each bank has been
given a limit for such transaction and will be required to
put up counterpart funds, including Treaspry bonds, equal
to 130 per cent of its allocated limit.

Regrowing will initially be

Borrowing will initially be for periods of between one and two weeks but the central bank hopes to introduce bor-rowing for periods of between one night and 91 days even-tually.

The main advantage of the new system is that, as bor-rowers and lenders will be unaware of each other's iden-tity, inter-bank rivalries which have prevented the growth of a lending market should be eliminated.

The central bank is planning to launch a similar scheme for foreign currency transactions.

Moscow rejects Reagan's N-test invitation

Ronald Reagan's invitation to nuclear testing. send scientists to observe The Soviet Union wanted to nuclear weapon tests at the US stop nuclear tests, not monitor testing ground in Nevada, Mr how they were being carried Alexander Petrosyants, chair-man of the Soviet state commit-give its blessing to "the Ameri-

The Soviet Union wanted to

tee for atomic energy, said here can militarists." Mr Petrosyants, who would

President Reagan had por- head the Soviet team to the bimutual trust between the two proposed to Washington, dissuper powers. Its real purpose, missed President Reagan's sug-conference on disarmament, US would demonstrate to Soviet Onion had extended its megotiate a nuclear arms reduction deal and has claimed that the last deadline of March 31 unsolved. US officials have also wise, it would be forced to reconference of disarmament, us would demonstrate to Soviet Union had extended its negotiate a nuclear arms reduction deal and has claimed that the last deadline of March 31 unsolved. US officials have also wise, it would be forced to remaintained that further testing sume testing, Mr Petrosyants is needed to enable the US to said.

THE SOVIET UNION has no Soviet observers to show Mos- method for measuring and intention of accepting President cow's approval of continued monitoring nuclear explosions.

The Corriex method to which nothing new. Soviet scientists knew it as thet MIS - method of impulse sensing — and had sometimes used it themselves,

Since Mr Gorbachev's proposal on January 15 for the three-stage elimination of nuclear weapons by the end of the century Soviet rhetoric has concentrated on two themes: the removal of US and Soviet wanted to retain its arst-strike canability.

of impulse sensing — and had sometimes used it themselves, Mr Petrosyants said.

His statement to the disarmament conference is the latest testing with Soviet readiness to Soviet Union had extended its source of the statement of US and Soviet union for a nuclear missiles from Europe capability.

There had been reports that the US would carry out more nuclear tests in April. The Soviet Union had extended its

Ex-soldiers defend Waldheim

terday saying they could not was never anything said about recall the former United the deportation of Jews."
National general secretary having any Nazi-links.

Sattman, who worked in the

Dr Waldheim who is standing served said: "All reports came as an independent candidate in across my desk. Nothing came

NINE PEOPLE who knew Austrian presidential candidate Nazi astrocities in the Balkans. Dr Kurt Waldheim from 1937 to 1945 spoke in his defence yesand "memory gap for presi-

National general secretary
having any Nazi-links.

Speaking at a press conference in Vienna, fellow officers and soldiers who served with Dr Waldheim in Greece said they knew nothing of the persecution of Greek Jews.

Dr Waldheim who is standing proup in which Dr Waldheim served said: "We knew nothing of the persecution of Jews. Another witness, Mr Wolganz Sattman, who worked in the radio receiving station said: "We knew nothing of the persecution of Jews.

Mr Friedrich Weibe, head of the news service of the army group in which Dr Waldheim served said: "All reports came The protestors, who were ignored by the speakers, remained for about an hour, One of them, film maker Ruth Beckermann knew nothing of the persecution of Jews in Salonika." said later they were an indeMr Friedrich Weibe, head of pendent committee concerned the news service of the army about the suppression of the group in which Dr Waldheim truth about Austria's past.

Dr Kurt Stevrer, the Socialist the presidential elections on by radio or telex about the dein Salzburg, said he was sure May 4 with support from the portation of Jews."

In Salzburg, said he was sure the charges against Dr Wald-conservative Austrian Peoples

During the testimonials a heim would be revealed as misunderstandings,

Norwegian oil workers threaten to strike

and lock-outs could stop all on April 15 of the Organisation petroleum exploration and pro- of Petroleum Exporting and lock-outs could stop all on April 10 of the Organization petroleum exploration and production off Norway from the weekend if last-minute arbitration today is unsuccessful.

On April 10 of the Organization of Petroleum Exporting Countries (Opec) in Geneva.

Sources here say that a Northon today is unsuccessful. Because of the low oil price, last several weeks to have any the Government may allow a impact on prices, however. stoppage to run for some time.

In the past, it has usually ning at about 900,000 barrels a stoppage to run for some time.

In the past, it has usually intervened quickly to order compulsory settlement of off-shore disputes, because of the industry's importance as a industry's importance industry indu

A COMBINATION of strikes of the imminence of a meeting

source of tax revenue. The employers retorted by This time, a temporary break ordering a lock-out of all other in Norwegian production might workers on these fields, effective be politically fortuitous because from midnight on Saturday.

Chirac expected to meet Kohl within fortnight

BY RUPERT CORNWELL IN BONN

MR JACQUES CHIRAC, the French Prime Minister, is expected in Bonn for talks with Chancellor Helmut Kohl within the next formight—a move intended to underline the determination of both countries that the property characteristics of that the recent change of government in Paris should not interfere with the close policy co-ordination between them.

This emerged after an exploratory 90 minute meeting here yesterday between Mr Hans-Dietrich Genscher, the with his new French opposite number Mr Jean Bernard Raimond, in the latter's first trip abroad since his appoint-

trip abroad since his appoint expressed here over the unment a fortagen ago.

The discussions apparently certain division of foreign did not extend much beyond an policy-making in Paris, between exchange of views on current a Gaullist prime minister and issues, ranging from East West relations to the EEC and the The Chanceltor never tires of forthcoming seven nation referring to the excellent terms western summit in Tokyo, on which he is with Mr Mitter-Afterwards senior German rand, while he should have few ideological differences with the Western summit in Tokyo.— Afterwards senior German officials spoke of a far eaching continuity " in Franco-

German affairs. the question of whether Mr Genscher will establish as close genscher will establish as close a rapport with the career diplomat Mr Raimond as he did with his predece vor, Mr Roland Dumas, a fluent German speaker and a particularly trusted advisor of President Francois Mitterrand

Mitterrand.

Mr Kohl is said to have no worries about his ability to further relations with France — a goal by which he sets so much public store—in spite ture Ministers of the 12 resume of the baffilement privately

west German unemployment, unadjusted for seasonal factors, fell to 2.45m in March from 2.55m in February, the Federal Labour Office said, Reuter reports from Nuremberg. The total represents 9.8 per cent of the workforce against 18.4 per cent in February. Seasonally workforce against 19.4 per cent in February. Seasonally adjusted unemployment in March was 2.29m, unchanged from a month earlier. In March 1985 the unadjusted jobless total stood at 2.47m, representing 10 per cent of the workforce.

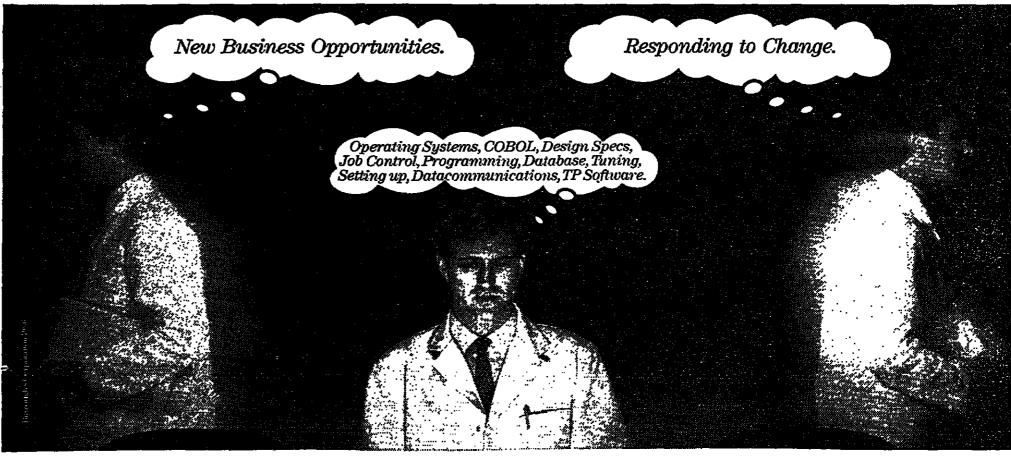
ideological differences with the conservative Mr Chirac.

Indeed the choice of Mr Fran At least as important, how cois Guillaume, a fierce ever, as the warm words is defender of French farm the question of whether Mr interests as the new Agriculture Minister in Paris, has already sealed a de facto Franco German common front to pro tect farm incomes in the two countries, in defiance of the wishes of the Commission in Brussels.

The gathering row over this year's EEC farm price round is likely to be a key theme during Mr. Chirac's visit here, which

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Sales of diesel cars in W. Europe rise by 21% BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

gests.

Last year's record was set in spite of shortages of the fuel injection equipment used in

diesel engines. Records were set in the vast majority of European markets, only Spain, Belgium, Sweden and Norway bucking the trend. So far in a decade of almost launch the Panda diesel this uninterrupted growth in diesel month — a model which AID car sales, the major inroads have been made in the executive car sector—in some countries year.
half the executive cars are Las delivered with diesel engines— but there is big potential for the oil-burning engines at the other

DIESEL car sales in Western
Europe last year rose by 21 per
cent from the 1984 total to a
record 1.67m and their share
of the market jumped from 13.7
per cent to 15.19 per cent,
according to an analysis by
Automotive Industry Data.

There are clear signs that
growth in diesel car sales will
continue, the Lichfield, Staffordshire-based organisation suggests.

AID says the Peugeot 205
diesel in France has been a runaway success and could well be
a trendsetter. "Renault paid a
severe penalty in delaying the
launch of the R5 diesel for just
over 12 months because the
company lost valuable ground
to arch rival Peugeot."

Among other small cars,
competitive diesel models for
the Ford Fiesta, R5 and Fiat

Among other small cars, competitive diesel models for the Ford Fiesta, R5 and Fiat Uno are available already and soon to come are diesel versions of the General Motors-Opel Corsa and Volkswagen Polo,

Citroen is expected to have a diesel version of the AX, the small car due to be launched in the autumn, while Fiat will suggests is capable of generating 40,000 European sales a

Last year's diesel car record follows exceptional sales in West Germany, created by the confusion over anti-pollution end of the market, in small cars. measures.

| PASSENGER CAR DIESEL SALES ((000's) | | | | | | |
|-------------------------------------|--------------|----------------|---------|--|--|--|
| Country | Year 84 | Year 85 | % chang | | | |
| | 321.8 | 530.8 | - 64.9 | | | |
| West Germany | 425.3 | 438.6 | 3.1 | | | |
| italy | 240.4 | 264.8 | 10.1 | | | |
| France | 126.7 | 124.9 | -1.4 | | | |
| Spain | | 95.0 | -1.9 | | | |
| Belgium | 96.9 | 71.3 | 17.0 | | | |
| Netherlands | 61.0 | 66.2 | 46.8 | | | |
| United Kingdom | 45.1 | 32.8 | 130.9 | | | |
| Austria | 14.2 14.1 | 14.7 | 4.0 | | | |
| Finland | | 10.4 | 0.2 | | | |
| Denmark | 10.3 | 9.4 | 31.7 | | | |
| Switzerland | 7.1 | 8.4 | 41.7 | | | |
| Eire | 6.0 | . 5 <i>,</i> 7 | -40.3 | | | |
| Sweden | 9.5 | 1.7 | -37.3 | | | |
| Norway | 2.7 | | | | | |
| Total diesels | 1,381.1 | 1,674.6 | 21.3 | | | |
| Total industry volume | 10,098.7 | 10,524.2 | 4.2 | | | |
| I DET INNORS A ANIMALE | | 15.9 | ٠. | | | |

research paper, computer departments markets. using Burroughs' equipment were far more productive at providing business solutions than their colleagues using other equipment.

4 times as many management staff than was required on Burroughs' computers. (Thus freeing the others to write new

applications or upgrade existing ones.) After all, the faster DP staff can create or change programs, the more business information you can extract Spa Building Society, wanted to convert from your computer. And the better to a real time database system in the your computer can serve your busi- shortest possible time. As Bob Neill of before any real damage is done.

According to a recent independent ness in tough, competitive and changing

NEW APPLICATIONS IN ONE TENTH OF THE TIME.

Using a system developed by In fact, the research went on to show Burroughs, hundreds of businessmen that it took nearly 3 times as many pro- are finding their computers are giving gramming and systems staff and over them a genuine, competitive edge. This remarkable system is called LINC.

Quite simply, LINC allows Burroughs' users to develop new solutions in up to one tenth of the time

it normally takes. FACT: One of our clients, Leamington

HOW TO CHANGE SYSTEMS IN ONE TWENTIETH OF THE TIME.

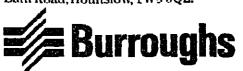
At the same time LINC allows Burroughs' users to modify, extend and maintain existing solutions in up to one- money well saved. twentieth of the time.

So if markets change or your company expands or even merges, for example, you can change your system in months, or even weeks, rather than years. Or if foreign competitors start nibbling at your margins, you can act

the Society says: "We thought a time FACT: Eric Holloway, of British Alcan scale of three years would be needed. Aluminium, said recently: "We had esti-With LINC we were ready in four mated a conventional system would take six man years to develop and implement, with LINC we were up and running with a working system in four

> When you think how competitive business is these days, that's time and

> For more information, call Brian Reynolds on 01-750 1420. Or write to him at Burroughs, Heathrow House, Bath Road, Hounslow, TW5 9QL.



Were behind them a

Hanson Trust makes £1.9bn takeover bid for Imperial Group

HANNON TRUST, the fast-growing industrial holding company headed by Lind Hanson, fast night Euroched a 11.9bn takeover bidher Imperial Group, the brewing,

Imperial's agreed £1.22bn bid for United Biscuits coincided on Monday with a heatile £1.86bn bid from Argyll Group for Distillers

Coats opts for £690m Vantona counter-offer

VANTONA VIYELLA yesterday isonched a £689.5m agreed director of Vantons, counterbid for Come

GEC ready to move on Plessey

BY IAN RODGER

(FINANCIAL TIMES)

THE GENERAL Electric Company could launch, its £1.16ba seover bid for Plessey as early

lems currently confronting no only telecommunications be indeed the entire electronic industry in the United Kingdom, he said,

We believe your view of the prospects of achieving significan profitable growth in the ye ahead, as expressed in

nublic

Monopolies inquiry could scupper £1.3 billion c.

Imperial and United agree to merge

lly Andrew Cornellus

Imperial Group and United Biscuits yesterday announced details of an agreed merger. The deal, which was signalled by the companies last week, will



Guinness plans agreed merger with Distillers

BY DAVID GOODHART AND MARK MEREDITH

A RECORD British takeover bid the Guinness was unveiled yesterday when had Guinness ended several days of ment announced a of

(FINANCIAL TIMES)

Argyll extends offer By Charles Batchelor

ACCOUNT OF THE WORKS AND A

Argyff Group, the super-market concern which is tillers, the Scotch whisky troup, yesterday extende is offer for a further

its pension fund, took its holding in Distillers in 14:45m shares, or 3.98 per cent of the equity.

in part to its complete in

Burton claims victory in battle for Debenhams

BURTON GROUP, the climbing retailor, last night claimed victory

(FINANCIAL TIMES)

Now Rank goes for Granada ASTITUTIOUS BERNSTE

by David Ireland

books and liesh from ratching analysts and oing with racord profits leanched as author near \$776 million bill

(LONDON STANDARD)

bid ;

When the dust finally settles on the corporate battlefield, there's at least one detail of their business lives that all these companies have in common.

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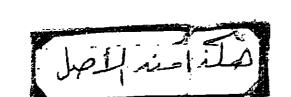
Today we have offices throughout the world, programs available in 8 languages and an annual turnover of \$225,000,000.

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bottom line. It's under the logo.



BY JIM JONES IN JOHANNESBURG

BISHOP Desmond Tutu's call for international economic sanctions against South Africa has been widely criticised by white businessmen and politicians inside the country, but applauded by the black community.

The different reactions underline the country's racial polari-

for peaceful change.

However, some white people expressed sympathetic understanding. Mr John Wilson president of the Federated Chamber of Industries (FCI), was clear that Bishop Tutin "has undoubtedly expressed the frustrations of many blacks in calling for punitive international sanctions." But he added that the FCI could not support "a unilateral telescopsupport "a unilateral telescoping of the timetable for change asked for by the Bishop and to which he himself is com-

mitted."

Mr Wilson's views were echoed by Mr Raymond Parsons, head of the Association of Chambers of Commerce, who restated his organisation's view that sanctions would damage the economic growth which, he said, "remains an essential condition for evolutionary reform."

Strongest criticism came from the country's white rightwing political parties. Mr Jaap Marais, the leader of the Herstigte Nasionale Party, called for government action against the Bishop, whom he accused of "declaring war in the name of God."

"The the last Mrs Helen we all want to see."

Unsperate can desperate can in the south oppressed section of the South African society to exert more decisive pressure on this racist government."

Britain yesterday rejected the Bishop had advanced "no evolutionary reform."

The the last Mrs Helen unspection of the South African society to exert more decisive pressure on this racist government."

Britain yesterday rejected the Bishop had advanced "no evolutionary reform."

"We continue to believe that such boycotts would only make matters worse. The important thing is to make every effort to get both sides in South Africa into dialogue as soon as possible in order to bring about fundamental political change, which

The different reactions underline the country's racial polarisation, with black people pointing out that sanctions are one of the few remaining weapons for peaceful change.

However, some white people expressed sympathetic understanding. Mr John Wilson president of the Federated Chamber of Industries (FCI), was clear that Bishop Tutu "has undoubtedly expressed the frustrations of many blacks in calling for punitive international sanctions." But he added that the FCI could not

call and that of the national education crisis conference in Durban will be seen by the international community as a desperate call from the oppressed section of the South African society to exert more

the name of God."

To the left, Mrs Helen we all want to see."

Suzman, the Progressive Rational comment, Page 18

Minister denies agreeing to lift Mandela banning order

BY OUR JOHANNESBURG CORRESPONDENT

Mr Louis Le Grange, South Africa's Minister of Law and Africa's Minister of Law and Order, yesterday backed away from an apparent agreement on Wednesday to lift the Government's banning order on Mrs Winnie Mandela.

On Wednesday, Mr Ismail Ayob, Mrs Mandela's lawyer, announced that Mr Le Grange's department had agreed not to oppose a court application by Mrs Mandela to have it raised effectively, that meant Mrs Mandela had been restricted by banning orders

Insposed for over 30 years by South Africa's National Party Government in silence domestic critics. They were virtually unchallengable until two weeks ago, when the Supreme Court declared recent bans imposed given insufficient reasons for imposing them.

Yesterday Mr Le Grange though he did say he was reviewing the order and that

since 1962 and is also a so-called "listed person," which means she cannot be quoted in South Africa. The latest order has prevented her from living in her Soweto home

Banning orders, which are

imposed by ministerial edict, have been used for over 20 years by South Africa's National Party Government

viewing the order and that he was discussing the entire matter of banning restrictions with his department's legal advisers. Meantime, Mrs Mandela remains restricted and her lawyers are again preparing to challenge the ban in some

Aguino official worked for Marcos family mine

A TOP official in the Government of President Corazon scandalous proportions, esti-Aquino managed the Philipmated at between \$50n and pines' second biggest mining

The official, Mr Jaime Ongpin, who is now Minister of Finance in the Aquino Government, conceded yesterday that the giant mining enterprise, Benguet Corporation, with revenues in excess of \$135m (£91.8m) was owned 60 per cent by the Marcos family.

Another company, Marcopper Mining Corporation with annual which is in distress.

The previous owners had to

Mining Corporation with annual revenues of \$30m. was also dis-

\$10bn in the Philippines and

controlled by the family of former President Ferdinand Marcos.

The official, Mr Jaime Ongpin, who is now Minister of Finance in the Aquino Government, conceded yesterday that the giant

Mining Corporation with annual revenues of \$30m, was also discovered to be owned 40 per cent by the Marcos family.

Mr Ongpin, who was among Mrs Aquino's closest advisers during the election campaign, was president of Benguet until he joined the Aquino cabinet in February.

When their equity participation was limited to 40 per cent after the termination of 2n agreement that allowed US citizens to own properties and companies up to 100 per cent.

February.

Mr Ongpin did not make any public disclosure on the ownership structure of Benguet during the election period, when Mrs Aquino openly accused Mr

Mrs Aquino openly accused Mr

Sabah elections called in bid to break deadlock

BY WONG SULONG IN KUALA LUMPUR

Sabah on May 5 and 6 in an attempt to break the year-old political deadlock in the troubled East Malaysian state.

Vectorator's approximation by Yesterday's announcement by the Malayian Elections Commission in Kuala Lumpur increased speculation that Dr Mahathir

speculation that Dr Mahathir speculation that Dr Mahathir Mohamad, the Prime Minister, might call for national general elections to coincide with the Sabah poll.

Dr Mahathir's five-year rule appears to be coming under increasing challenge, especially from his former deputy, Datuk Musa Hitam, and he would like a fresh mandate to consolidate his policies.

The Supreme Council of Dr Mahathir's United Malays national organisation will meet on Sunday, and an early general

on Sunday, and an early general an edge as voters, but numeric-election is expected to be the main subject for discussion. of the Moslems

ELECTIONS will be held in Malaysian elections are not due political parties to ensure a peaceful poll and to respect the

election results. More than 423,000 Sabahans are eligible to vote. The last

end special currency

CHINA plans to abolish its special currency for foreigners and make the domestic renminoi the sole currency in circulation, vice premier Yao Yilin announced yesterday, AP reports from

The fereign exchange certificate was introduced in 1980 with the intention of curbing the black market in internationally convertible currencies. The certificates are used by tourist, resident foreigners and overseas investors and issued by denominations controllers. minations equivalent to the domestic renminbi (people's

domestic renminbi (people's money).

The certificates will bring 1.20 to 1.70 renminbi in the black market. Chinese citizens also try to obtain them in order to buy imported goods normally mavailable to domestic shoppers.

Under the new system, all foreign currencies will have to be changed into renminbi, which has been devalued from 2.00 to 3.20 against the US dollar in the past two years.

"Foreign exchange certifi-cates will be abolished" and other foreign currencies banned from normal circulation, Yao said at a news conference. He added: "But it takes a lot of preparation work" and said the date for the change had not been

Peter Blackburn reports on a sense of optimism in Conakry after decades of decline

Guinea bites the bullet of economic reform

animation amid signs of re- overvalued local currency.

covery after a quarter of a Col Lansana Conte, Guinea's covery after a quarter of a Col Lansana Conte, Guinea's century of political repression new leader, moved quickly to

and economic ruin. vacuum left by the unexpected early death of President Service

Toure, there are hopes that a sweeping programme of economic reforms could lay the foundation for future growth

This hesitation led to an abortive coup last July by former Prime Minister Col Diara Traore who accused the Government of "dragging its feet" in

regarded as the jewel in the crown of French West Africa. But, after independence in 1958. President Sekon Toure spurned continued close ties with France saying "we prefer freedom in poverty to slavery

model of economic development, enforced by an increasingly repressive regime which forced into exile over 25 per cent of the country's population of 5.5m. A combination of misguided policies and economic misman-igement resulted in Guinea's decline into the ranks of the world's poorest countries, with a per capita income of less than \$300 a year.

The military, as they pointed out to the International Mone-

THE MAIN seafront hotel of tary Fund, inherited an economy Conakry is full these days of burdened by an "unproductive, foreign businessmen and aid underpaid and plethoric public donors while the capital's run-down streets buzz with renewed state of collapse and a grossly

free political prisoners and end Two years after the military human rights abuses. He was seized power, filling the political much slower to devalue the syli and introduce other economic reforms for fear of a social

Guinea, with its vast mineral resources, fertile farmland and enterprising people, used to be The revolt prompted the cautious and reserved President Conte to bit the bullet and, in the past few months, the Government has introduced a series of IMF and World Bank-inspired measures to reduce the size and scope of the public sec-

n riches."

Guinea adopted the Soviet nodel of economic development, enforced by an increasingly repressive regime which forced of explored of the syll currency completed in the country's population of 5.5m.

A combination of missisted the forced of the syll currency completed in January and preceded by the introduction of a dual exchange that for domestic and expertant. rate for domestic and external transactions three months pre-

oransactions three months pre-viously.

Immediately afterwards the syli was changed to the Guinean franc (GF) — a move inter-preted by some bankers as faci-litating Guinea's eventual rein-

tary zone.

The new exchange rate of \$1 to GF 340 greatly closes the gap with the black market rate of 410. Weekly foreign exchange auctions are planned in which licensed importers can help determine a realistic mar-

ket rate. The reforms enable the private sector to obtain foreign exchange through the banking system and to rejoin the "official" economy. Previously about 90 per cent of economic transactions were made at the black market rate. A more realistic exchange rate will also help to attract badly needed help to attract badly needed foreign investment.

tegration into the franc mone- The six state-owned banks to the reform programme, ob- high places.

port allowances introduced in January have helped to offset the inflationary effects of devaluation.

• Agricultural producer prices

have been substantially raised to encourage increased local output and to make cross bor-der smuggling less lucrative. The price of imported rise has been quadrupled to help local farmers and petrol prices tripled, thus reducing Government subsidies.

A state trading company has

been created to compete with private traders and help guarantee adequate supplies of rise, sugar, cooking oil and other basic food items.

However, some price increases have since been reversed due to popular protests and this has raised doubts about the Government's commitment would also terminate their financial privileges. The recent resignation of Mr Jean-Claude Diallo, the Information Minister, was seen as a protest the Government's commitment

placed by three Franco-Guinean banks. The central bank has also been restructured with IMF aid.

About a dozen industrial public enterprises are to be privatised and another seven disconnections. Servers S3y.

The reforms paced the way for an SDR 33m (£25.4m)), 13-month IMF standby loan in February followed shortly afterwards by a \$43m World Bank structural adjustment loan. Bilateral donors, included the structural adjustment loan. solved. Government subsidies cluding France, the US and for public enterprises will be West Germany, has pledged limited to \$12m this year while additional aid worth some \$75m. water, electricity and transport Talks are envisaged this tariffs will be raised to realistic month on the rescheduling of levels.

The 84,000-strong civil service is to be cut by up to 30 per cent this year with further cuts envisaged in 1987. New monthly cost-of-licing and transmonthly cost-of-licing and trans Towards the end of this year the World Bank plans to hold a donors meeting to discuss the financing of a three-year re-

covery programme, giving priority to the rehabilitation of economic infrastructure
Apart from a partial setback on prices. President Conte's Government, which now has a civilian majority appears to be Government, which now has a civilian majority, appears to he keeping to the reform programme. But the full inflationary impact of devaluation has still to be felt as well Many senior Government officials, veterans from the Sekou Toure era, are reluctant to implement the reforms which would also terminate their financial privileges. The recent

30

by he ds uit



Enough Said?

Frankly, there's been more than enough said about Westland over the past few months.

This ad is not about politics, it's not about recriminations, it's simply about success. What's more, success for the newly recapitalised Westland plc. Two days ago the contract signed recently, to supply 21 Westland 30's to the Helicopter Corporation of India became effective. Three year's negotiation is over, two years of manufacture is about to begin. For an order worth over

At the moment we've little else to say. (And anyway, if you'll excuse us, we've got work to do.)



\$30bn MIDEAST AID FUND PROPOSED

Peres pushes for 'Marshall Plan'

WEST EUROPE and Japan governments. The US supported should take the lead in financing the overall objective — problem for all of the countries a major economic development for of the Middle East." a major economic development "economic development for programme for the Middle East, similar to the post-war US-funded Marshall Plan for Western Europe, Mr Shimon Peres, the Israeli Prime Minister, said here yesterday. "economic development for peace in the region"—but saw "cial obstacles."

Mr Peres, however, indicated that he was not looking to Washington to provide the bulk

Mr Peres made a public call of the funds he is seeking, or support for the proposal on American television at the end to \$30bn (£20.5bn). "American to troope in the wake of Vashington in which he the Second World War. Now for support for the proposal on American television at the end of a two-day private visit to Washington in which he explained the plan to Mr George Shultz, the US Secretary of State and other leading Reagan Administration officials.

The State Department said three most serious Middle East that it would study the plan problems—Arab-Israeli tension, and discuss it with the United States' Western allies and Arab distress—"The economic situa-

that he was not looking to Washington to provide the bulk the time has come to the Europeans and Japanese to help the Middle East," he said. Mr Peres said that of the

Oil-producing Arab countries would lose up to \$100bn this year as a result of the plunge in oil prices, and many of them were too poor to bear the loss, were too poor to bear the loss, Mr Peres said. The oil producers' loss would mean a \$70bn gain for Japan and Western Europe, he said.

Explaining the potential obstacles, Reagan Administration officials pointed to the financial state of the said.

Western countries. Another problem would be to persuade in a joint operation with Israel.

Washington is apparently thinking of a multilateral fund that would help countries like Egypt, Jordan, Lebanon and Syria, as well as Israel, although Syrian participation is regarded as doubtful. It is thought possible that the US will raise the issue with its leading industrial allies at the seven nation West. allies at the seven-nation West-ern economic summit in Tokyo at the beginning of next month.

Mr Peres said that he had told the Europeans and Jap-anese. "If you want to guaranancial constraints in the US tee the oil supply in future, you stemming from the new Gramm-should invest not only in Rudman budget balancing law and fiscal difficulties in other political infrastructure." Economic development, he argues, will also improve the political the Arab countries to participate climate for progress towards a in a joint operation with Israel.

US, Europe agree

THE US has finally reached tor general represents some agreement with Western thing of a climbdown by the

Space Administration (Nasa) assuring them that the proposed assuring them that the proposed assurances from the Europeans European part of the base will be permanent and not form part of a future, independent European heavenly outpost.

A Mass difficult said. The assurances from the Europeans are extremely important. They mean we can go ahead with the general planning for the space station." Under the plans drawn up by Nasa, the station will be used for scientific experiments

outline plans for participation with Nasa — is also due to joint in.

Until the commitment by Proa series of briefings which Nasa
is due to give to Congress on it would not." he said.

Mr Wallace believes that without that thorn he would have won the presidency in lace has mellowed. showing a would not necessarily form a started workshop called Columbus permanent part of the structure.

goal of achieving an independent European orbiting outpost. Professor Reimar Luest, director-general of the 11. ESA will, however, continue to nation European Space Agency, has written to officials at the US National Aeronautics and programmes in thenext 20 years. A Nasa official said: "The

> Nasa plans to present details of the station to a Congress hearing next week. For the first time the plans will contain a specific description of the role

its space-station plans.

which President Reagan has said request for space station activities. Full-scale development work on the base is scheduled they blew up about 150 power to begin in May next year.

Nasa role in satellite launches may be cut

THE STAFF of a Reagan Ad-THE STAFF of a Reagan Administration inferagency group is close to recommending that Nasa, the US space agency, abandon the business of launching commercial and foreign-government satellites. AP-DJ reports from Washington.

The staff is expected soon to complete its recommendation, along with others dealing with space-policy issues in the wake of the Challenger shuttle disaster. The recommendations are to be submitted to the confirment week. the interagency group on space policy includes senior White House officials and some cabinet secretaries, who in turn will make final reommendations.

Staff members may yet change their minds before forwarding recommendations to their superiors, but a preliminary draft, recommends that Nasa turn over the launching of such satellites to private companies that would use unmanned, expendable

The transfer, which would be a major change in US space policy, could occur in the next two to three years. Nasa would launch only US Government payloads, primarily military and a few private payloads.

El Salvador claims heavy rebel losses

THE SALVADORAN military says it killed, wounded or captured i48 guerrillas in March, and 94 of its soldiers were killed or wounded, AP reports from San Salvador.

The guerrillas' clandestine Radio Venceremos claimed to have killed or wounded 573 members of government forces

members of government forces

during that time, more than half of them by mines or booby traps. The broadcast gave no figures for rebel losses. The guerrillas of the Fara-bundo Marti National Liberation Front are fighting to overthrow the US-backed government of President Jose Napoleon Duarte, The rebels claimed to have

Argentine and Mexican debts 'largely due to capital flight'

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

ARGENTINA and Mexico would be virtually free of their crippling foreign debt burden if they had not suffered from chronic capital flight over the past 10 years, according to a new study by Morgan Guaranty

Trust of the US.

10 years while that of Argentina totalled \$26bn.

Morgan Guaranty warns that its figures, which are widely disputed in a number of countries covered by its study, provide only a rough estimate because of the lack of reliable data but it says that with few

The study, published in the bank's monthly review of World Financial Markets, offers one of the first detailed assessments of the relationship between capital flight and the build-up of foreign debt.

It says that Argentina would have just \$1bn (£680m) in foreign debt today instead of 8500n if there had been no capital flight. Mexico's debt would be an entirely manageable \$120n instead of \$970n. The figures take into account the continuing drain on the balance of payments of servicing debt incurred to finance capital flight which in Mexico's case totalled \$53bn in the past

The figures are reached by adding together recorded inflows of capital through net foreign investment and foreign borrowing and subtracting from this total the current account balance of payments deficit as well as increases in official reserves and recorded foreign assets of the debtor's domestic banking system. The residue is capital flight in the broadest

tina totalled \$26bn.

Morgan Guaranty warns that its figures, which are widely disputed in a number of countries covered by its study, provide only a rough estimate because of the lack of reliable data, but it says that with few exceptions the totals are more likely to underestimate the true extent of capital flight rather than exaggerate it.

The figures are reached by adding together recorded inflows of capital through net with a total of \$30bn, while Brazil, the largest debtor in Latin America, lost only \$10bn. A further conclusion of the study is that capital flight is not study is that capital flight is not south Africa totalled \$170n over the past 10 years and the country would have just \$1bn in foreign debt instead of \$26bn. Korea and Malaysia both lost \$12bn, Nigeria and India \$10bn and the Philippines \$3bn.

Not all this money was stashed away in secret bank accounts by rich individuals. Morgan says it is using an "expensive" definition of the meaning of the term capital flight. It includes perfectly legitimate activities such as the acquisition of foreign-currency working balances by local enterworking balances by local enter-prises engaged in international trade and trade credit extended directly by local exporters to

Wallace comes down from the

By Our U.S. Editor in Washington A TURBULENT quarter centry of Southern politics has come to a symbolic end with the retirement from the fray of Governor George Wallace of

mountain

Alabama, four times a presi-dential candidate and once the archetypal embodiment of segregationist values. The ailing Mr Wallace, 66, announced that he would not Representatives in Montgomery, a where he began his stormy wareer in 1947. "I have climbed my last political mountain," he

Mr Wallace, partially deaf and confined to a wheelchair since he was shot in an assassination attempt in 1972. has suffered virtually constant pain and illness for the past 14 years. "Those bullets gave

1972 and "the country would knack of changing with the not be in the mess it is in times. In 1982, despite his physi-



Wallace: arch segregationist

that he was one of the most formidable maverick camseek a fifth term as Governor in an emotional farewell from the in 1968, running as a thirdpodium of the State House of party presidential candidate, on law and order" ticket, Mr Wallace won an astonishing 13.5 per cent of the nattional vote.
With his right-wing populism. his appeal extended well beyond Alabama. History will almost certainly

remember him best in his fire-brand days of the 1960s, when he defautly committed himself "segregation now, segregation tomorrow and segregation forever." He gained notoriety by me a thorn in the flesh like the Apostle Paul. I prayed standing, as governor, in a that it should be removed, but cal handicaps, he was elected to Most people would dispute an unprecedented fourth term that, but it is widely accepted as governor,

space station plans

(£8.16bn).

and the launch and repair of satellites and will include three laboratories which will be built in the US, Japan and Western Europe. Canada — which, like Japan, has already agreed the

which President Reagan has said he would like to see in orbit by

agreement with Western thing of a climbdown by the Europe about the broad plans European agency, which over for an international space the past few months has said station, to be built by the midthat a partly free-flying laborations at a cost of about \$12bn tory would help in the long-term

to be played by the overseas countries. This hearing by a sub-committee of the House of Representatives' committee on science

Later in the year Congress will decide whether to allocate in full the \$405m which Nasa has asked for in its 1987 budget

BY OUR EUROMARKETS CORRESPONDENT MR Leonel Figueroa, president week it is uncertain how the ment to IMF economic adjust-of Peru's central bank, is to IMF will react to the instal-ment programmes could be of Peru's central bank, is to IMF will react to the instalment programmes could be visit Washington shortly for ment proposal, though some slowly whittled away. talks with the International bankers believe it will be reversely, however, the war

Monetary Fund on arrears that luctant to consider such a threaten to cause his country scheme unless the initial payto be barred from receiving further IMF assistance. Bankers say they expect Mr Figueroa to propose a deal to with Peru between exerting the IMF under which it would normal discipline on a member

drawings unless they are made

ment is substantial. The IMF has had to steer a

Peru set for crucial IMF talks

narrow course in its dealings pay the arrears, now amounting for the ing to some \$120m (£82m). by the government of President instalment. The IMF has Alan Garcia which owes interwarded Peru that it will be national creditors more than declared ineligible for further \$14m. Its reluctance to declare

good by April 15.

Peru ineligible so for stems President Fe
Ahead of the talks, which are from continuing hopes that the to monitor expected to last most of next resistance of the Garcia Govern-

of words between the two sides erupted again when Mr Luis Alva Castro, Prime Minister, announced in Lima that he had ordered the closure of the IMF mission there. In fact the IMF economist, Mr Waldemar de Moraes, who mans this mission, had been scheduled to leave anyway by prior agreement.

He had been appointed to the position for a two-year period in 1984 at the request of former President Fernando Belaun

Call for more help to East bloc

on the debts and other economic problems of its Eastern Euro-West with a chance to increase its influence in the region, representative David Obey, chairman of the joint economic committee of Congress, said yesterday, AP reports from the property on Eastern European policy. Mr Obey said: "It is washington."

West with a chance to increase economic reforms or improving future of singgists an economic their record on human rights." growth and austerity, the report on Eastern European policy. Mr Obey said: "It is reconomic Studies by experts ridiculous for us to be normalise." representative David Obey.

Chairman of the joint economic the release of a two-volume the release of a two-volume the release of a two-volume policy. Mr. Obey said: "It is from the Central Intelligence ing trade with the Soviets and Agency, the Library of Connot with the East European.

THE SOVIET Union's hard line "become more flexible in its gress and other government policies . . by improving and private organisations. economic relations with coun. The six Soviet bloc countries pean allies is providing the tries that are adopting liberal and Yugoslavia all face a

Urging a more flexible US policy. Mr. Obey said: "It is ridiculous for us to be normalising trade with the Sovieta and

WORLD TRADE NEWS

French group claims victory in Indian gas pipeline bidding

BY JOHN ELLIOTT IN NEW DELH!

A FRENCH-JAPANESE con- was "competitive," but com sortium led by Spie-Capag of parisons are complicated by the Paris last night claimed victory various currencies offered and for the second time in six by each bidder submitting months in the battle for the alternatives for gas turbine \$600m to \$700m (£476m) con-systems based on aero-engine tract to lay a 1,700 km natural and industrial engines. Nevergas pipeline across India.

consortia were opened last night by the gas authority of India in Snamprogetti has been well by the gas authority of India in New Delhi's Samrat Hotel, a week after the Indian Govern-ment asked the companies to submit revised final offers. Spie first claimed victory last November when the bids were first opened.

culations, the Spie-Capag's consortium, which includes NKK which exclude supplying the pipes but include overall execuand Toyo of Japan and Larsen and Toubro of India, submitted a bid of about \$600m in yen,

front-runner whose old in dollars and rupees was thought to equal \$650m. This bid includes Dodsal of India and up to \$90m work from the UK backed by British aid. The third main competitor, a

Canadian consortium led by Majestic of Alberta submitted a

The contractors and the gas authority were late last night over the currency valuations, making their individual calcula-Snamprogetti claimed its offer the final bids

as pipeline across India. theless, Spie appeared to be Bids from four international \$40m to \$50m lower than established in India for many years and has fought hard for

this contract. Last summer it was partially responsible for persuading the Indian Government to abandon tenders for piecemeal contracts According to preliminary cal- and invite semi-turnkey tenders

tion of the contract, pipe-laying and other items. When the French - Japanese a bid of about \$600m in yen,
French francs. dollars and
rupees.

This appeared to be about
\$45m below a consortium led by
Snamprogetti of Italy, the other
front-runner whose bid in
Aller the the translate spanishese
consortium came lowest last
November, Snamprogetti and
the Canadian group, backed by
their governments, claimed
NKK did not have sufficient
experience to qualify for the
contract.

the value of the yen and franc against the dollar had made its bid the lowest. Spie acknowledged that its

bid of about \$690m. The fourth Condux of Mexico, submitted a bid of \$605m but without sufficient soft loans to be competitive.

Spie acknowledged that its bounded of \$600m because of currency changes while Snamprogetti had dropped from \$708m to \$708m.

After coveral days of haggling After several days of haggling

Community members line up for mixed credit clash

result in a tussle over mixed credits—an issue which has divided EEC members and pitted the US against the Community.

Mixed credits combine normal export credit financing with an element of aid or funds on very soft terms. The finance min-isters have to decide what ought to be the permissible level of aid and how the aid element itself should be calculated. Ministers are being forced to

Tomorrow's match—providing it is not overtaken at the last

moment by the need for an EMS

realignment — is a replay of a March ministerial meeting, which failed to provide a final

wants them brought under tighter international control. The sums involved are considerable. The Organisation for Economic Co-operation and Development (OECD) has cal-culated that in 1982 tied aid credits represented 15 per cent of officially supported export credits worth SDR 33bn

The OECD calls mixed credits

tied aid credits because the aid element is inevitably tied to the purchase of goods and services in the country providing the

In 1984, tied aid credits exporters. The higher the mini-

are given through the OECD Consensus. What the Community Finance Ministers have to do is work out a position for the OECD ministerial meeting on April 17. Under the Consensus, the aid element in a mixed credit was

raised in April last year from 20 per cent to 25 per cent. Thus it should be more than a seductive top-up in a financial pack-age. The US now wants the minimum raised to 50 per cent. It is an idea which is also attractive to smaller Community

the existing system less secre-interestive. But it was told, by the UK ment. among others, that this would

never appease the US. that France and Italy might be persuaded to accept raising the minimum aid percentage—not to 50 per cent but perhaps to 30-35 per cent—if the way in which the aid element is calcuwhich the aid element is calculated could be changed.

This goes to the centre of the present wrangle.

The proposal under consideration is that in order to offset the disadvantages to countries like France and Italy of raising present wrangle.
There is a complex formula

interest rate and the aid ele- for France and Italy.

for the package.

the minimum aid percentage the discount factor would in for assessing the extent of the the discount factor would aid and it includes a discount future be related to movem factor. This is based on the in market interest rates. future be related to movements the Netherlands will be voted

THE DUTCH village of Ootmar tackle these questions largely sum tomorrow becomes the playing field for a regular European Community fixture—the wrangle over export credits.

The DUTCH village of Ootmar tackle these questions largely sDR 5.8bn of trade, while last costly it is to finance especially notion that money is worth less of current because of a persistent campaign by the US against mixed over SDR 6bn.

The industrialised countries at first the Community set by an OECD Committee, is packages would become more stration work out the conditions under resistent the pressure to raise an arbitrary 10 per cent and is expensive for low interest rate. banned, but failing that, it which export credits in general the minimum. Commission applied to a total package— countries like West Germany wants them brought under and mixed credits in particular ideas concentrated on making the export credit at a consensus and the Netherlands, but a gain

> The position then as ministers In terms of the total cost of a resume discussions in their financial package to the country Ootmarsum hotel is that West providing it, the crucial figure Germany and the Netherlands is the difference between this favour raising the aid element 10 per cent and the actual mar percentage but oppose changes ket cost of raising the money in the discount rate. France and Italy, however, will not accept the former without the

latter.
At the end of the day. specialists predict, the finance ministers will change their informal meeting into a formal council, and West Germany and

Lift curbs on free flow of information, says City report

BY CHRISTIAN TYLER, TRADE EDITOR

the processing, sale and transmission of information must be harmonised to encourage its free movement worldwide, a of London committee said yesterday.

mittee called for co-ordination

between departments of state

at home, common policies in the EEC, and international trading rules supervised by the General Agreement on Tariffs and Trade (Gatt). Because the subject of intertant in modern economies—it might have to be examined separately by the Gatt before becoming part of the inter-national trade negotiation due panies till yesterday to submit

lobbies on behalf of British in-visibles earners with govern-ment and international agencies. Most of the information generated, stored and transmitted across frontiers is in ir-

Because the subject of international information flows was so complicated—yet so imporportant part of the production of both goods and services, while blurring the distinction hetween them Yesterday's report tries to de. new market. to be launched this September. fine the policy issues raised by

The report is by the Liberathe mass movement of informalisation of Trade in Services tion at high speed, rather than Committee of the British Into identify obstacles, to its free visible Exports Council, which transfer.

But it notes restrictions im-posed by Brazil on data processing outside the country and insistence on local computer equipment, Canadian controls actions and transmission of financial data, and protectionist re-quirements of the West German telecommunications authority. have generally managed to live

mission was rapidly replacing of their indigenous culture and microfiche, documents, and excessive influence from alien, magnetic tapes and discs. dominant cultures," yet did not Among the present big users want to fall behind in the techwere the banks, insurance, pology.

Among the barriers identified by the report are to belief travel agents, estate agents, by the report are technical bond dealers, and the comstandards for telecommunical modity, currency, capital and securities markets.

Business was nervous of the monopoly power of government-controlled PTTS "and the delays to achieving a proper Ielgal The report says that financial framework caused by politics and other service companies and hureaucracy." Multivational have generally managed to live companies and international traders were most vociferous in support of free trade, but national companies felt ever, they are afraid that state regulations, administered by poorly trained public servants, could progressively stifle innovation to serve a potentially vast market.

The governments of developing countries, although by no means foremost in restricting information flows. "fear a dilution

curement policies, measures to ensure data privacy and copy-right, fiscal policy and exchange controls, language differences and state subsidies. Introducing the report yester-day, Sir Michael Palliser, chair-

man - of the committee, admitted that international agreement would be difficult. Answering objections, raised by the developing countries, he said: "Without having to be homogenised and Americanised there are substantial benefits to Electropic storage and trans- formation flows, "fear a dilution be gained from as free a regime

Czech plan for imports 'unrealistic'

By Leslie Colitt, recently in

WESTERN exporters hoping to cash in on Czechoslevakia's high planned growth in imports from the West this year may have to wait a little longer. Czechoslovakia's target this year of a 13.3 per cent increase in imports from the West is considered unrealistic by Western commercial analysis of Prague's foreign trade.

They note that last year's goal of a &I per cent growth in imports from the West was

also too high. The Government said actual growth was 5.1 per cent but the Chamber of Commerce in Prague noted that imports from non-socialist countries rose 1.7 per cent last year. According to analysts the latter figure was

more accurate.

Czechoslovakia's trade with OECD and developing countries last year fell to about 20 percent of its total foreign trade. Officials in Prague noted that Czechoslovak imports from the West were linked to its hard currency exports. East year ex-ports to OECD and developing countries rose only 0.6 per cent.
The trade surplus last year, according to the Western analysts, was below the \$800m which Prague earned in 1984. This year a small \$88m trade deficit is planned with the West but the analysts doubt this will occur.

Soviet credit for Algeria

ALGERIA has signed a finan-cial protocol with the Soviet last week in Moscow during an Union opening up a credit line official visit by Algerian Presi-of \$350m (£280m) over the next four years, according to the The development projects in-official Algerian news agency, clude the construction of an

finance 22 economic development projects, the news agency said. Repayment is to be made over a 13-year period with 50 per cent of it in dollars and the rest in the form of industrial

The protocol is the keystone

P reports.

Automobile spare parts factory,
five irrigation dams, a cement works, a brick works and a number of specialised teaching

centres. The Soviet Union is to provide technical assistance in mining and geological explora-tion and is expected to be awarded contracts for building of a broader economic coopera-tion accord between Algeria lines, the agency said.

GOVERNMENT controls over In a report sent to the British Government, the com-

BY CARLA RAPOPORT IN TOKYO

a growing proportion - perhaps over 30 per cent - is being bought and sold, the report The argument for seeking

nal company information, but

with national restrictions. How-ever, they are airaid that state

Japan told to change policy in favour of cooperation JAPAN MUST make major out a major transformation of changes in its economic policies in order to correct its trade important on the country's economic policies in order to correct its trade important on the country's economic policies in order to correct its trade important on the country's economic policies week. Both studies call for a shift away from an export-led economy and toward one where domestic demand drives economic policies in its report.

Trade and Industry (Mifi) last trade imbalance in its report.

Government to expand housing economy and toward one where domestic demand drives economic policies week. Both studies call for a constitution of the report calls on the constitution of the report will not call for a constitution of the report will not call for a constitution of the report will not call for a constitution of the report will not call for a constitution of the report will not call for a constitution of the report will not call for a constitution of the report will not call for a constitution of the report will not call for a constitution of the report will not call for a constitution of the report will not call for a constitution of the report will not call for a constitution of the report will not call for a constitution of the report will not call for a constitution of the report will not call for a constitution of the report will not call for a constitution of the report will not call for a constitution of the report will not call for a constitution of the report will not call for a constitution of the report will

in order to correct its trade imbalance with the West, according to a report which will be presented to Prime Minister Yasuhiro Nakasone next week. The report, prepared by a committee of leading Japanese businessmen and government leaders established by the Prime Minister last October, says there can be "no further development" for Japan with

The report calls on the Government to expand housing opportunities for the Japanese through a variety of incentives, to stimulate private consump-tion through tax cuts and shorter working hours, and to increase sharply the amount of money spent on infrastructure local government authori-

relations, a Foreign Ministry official said, AP-DJ reports.

The official said Mr Sigur was referring to a report to be announced by a Japanese advisory board next Monday on ties.

Mr Gaston Sigur, US Assistant structure to promote interSecretary of State yesterday national co-operation.

told Prime Minister Nakasone he hoped Japan would develop a forward-looking approach to deal with US-Japan economic

مِلْنَامُنِهُ لِلْمِلْ

Some believe history repeats itself.

Others read The Economist.

The Economist

Your weekly view from London of World Affairs, Finance, Science.

Finance pledged for planned newspaper

THE INDEPENDENT, the new quality newspaper being planned by former Daily Telegraph journalists, now has more than three quarters of its finance pledged and hopes to complete an £18m package by the middle of this month.

The creation of The Independent, sparked by Mr Eddie Shah's Today. comes as Today itself appears to be

facing increasing difficulties. Circulation of the colour tabloid daily paper, it is now conceded. dropped towards 500,000 last week although Mr Shah's presses have the capacity to produce 1.25m copies. The latest readership research suggests that the decline from last month's launch has still not reached a piateau.

Today also plans to reduce its promised before the launch that 44 pages would be produced every day.

aiming at a different readership the middle to upper end of the newspaper market - posted its prospectus to potential investors yesterday. More than 30 insurance companies, investment trusts and pension funds have already pledged support for the £16m second round financing. The average investment is about £500,000 but four institutions are putting up around film

Charterhouse Japhet, the merchant bank and stockbrokers de Zoete & Bevan, which are arranging the finance, say they are confident the offer will be fully subscribed by the completion date of April 17.

Mr Andreas Whittam Smith, editor of The Independent, said yesterday: "I think it will be completed in two or three days time. The money is all coming in now."

The Independent, which has already moved into its six floors of offices at Pembroke House in the City of London, plans to sign contracts for its electronic newsroom equipment next week. It plans to start publication in the first week of . October.

The company says agreements have already been signed with the four companies which will be printing The Independent under contract in different parts of the country: EMAP in Peterborough, east England Westminster Press in Bradford, Yorkshire, Downsweald Publishing in Sittingbourne, Kent, and Portsmouth and Sunderland Newspapers in Portsmouth, south | invited to bid.

15 months will emphasise the twin | would have to be in by August, with themes of quality and indepen- successful bidders to be announced dence. The prospectus envisages a before the end of the year, probably circulation of 373,000 in the year to the end of September 1987 building to 471,000 by 1990.

The readership study of the national newspaper market being carried out by AGB Cable and Viewdata shows that the downward trend of Today readership continued into the fourth week since the launch. Last week, the average daily readership of Today was only 3.9 per cent of the AGB panel of more than 1,000 people who keep diaries

our main competitors and it has

Lecture on BBC television last

night. "We are the only developed

country in the world to have

Sir John attacked the "persistent

rumour" that manufacturing was no

longer needed, and that services would solve Britain's problems.

The UK has been losing its share

of the world market in services at

double the rate it has in manufac-

Tourism was not the answer eith-

er. "If we imagine we can get by

with a bunch of people in smocks

showing tourists around mediaeval

castles we are quite frankly out of

declined in this way.

BL's European car sales up 53% in quarter

BY JOHN GRIFFITHS

AUSTIN ROVER'S sales in its main continental European markets increased by 53 per cent in the first quarter of this year, to 25,000, compared with the same period a year

ago. Statistics from BL's volume cars made possible by the change in the division show doubled sales in West newspaper investment climate Germany, to 3.116 units, and an 65 per cent. per cent increase in Italy, to a record 6,700 units.

Exports to Spain were up 172 per cent. Spanish sales remained small in unit terms at 1,724, but enough for Austin Rover to be considering shipping more cars than provided for under the low-duty import quo-tas agreed as part of Spain's acces-sion to the EEC.

Under these, Austin Rover can ship 4,600 cars to Spain this year with a 17.5 per cent import duty. regular number of pages from 44 to Above this level. Austin Rover 40, despite the fact that Mr Shah would have to pay duties of more than 30 per cent.

Mr Peter Johnson, sales director, The Independent, a broadsheet said yesterday that Spanish demand was running at such a level as to warrant a decision on higher shipments "within the next few

> In Portugal, Austin Rover's firstquarter sales also doubled, to 1.843 units, which represents a 10 per cent share of the total market. Mr Johnson said there were no special factors influencing the first quarter performance. He attributed

the improvement to "getting product, pricing and marketing policies right. We really have got a momentum going in Europe. It is genuinely encouraging. We have not simply bought market share." Although he would give no forecast on Austin Rover's likely sales

he added: "I will be disappointed if sales are not up significantly, and up further in 1987.

on the Continent for the full year,

position in the sales chart which it lost to Vauxhall/Opel in the opening two months of the year. It is believed to have finished the month with a market share of about 17 per cent, compared with less than 15 per cent for Vauxhall, but still well behind Ford's expected 27

Austin Rover gave details of the export figures on the day after its state-owned parent, BL, announced a £6m operating loss for ARG Holdings, which includes both Austin Rover and BL Technology.

Arthur Smith writes: The BL group results give only the broad figures. The breakdown of individual company trading performance and profit or loss after tax or interest, is not revealed until some months later.

Little publicity has been given to the increasing profits contribution made by BL Technology - a company set up in 1979.

Last year the company contributed profits of around 13m against £2.75m in 1984.

Mr David Andrews, the BL executive director at present heading the management buyout bid for Land Rover, was the first chairman of BL Technology. Its role was to offer BL group companies facilities for testing new vehicles and to carry out advanced engineering

It not only supported Austin Rover's model development programme testing new vehicles such as the planned new Rover executive saloon, but sought to help with engineering research outside the motor

Austin Rover remains its biggest customer, but clients include Land Rover, Freight Rover and Jaguar, The new XJ 40 Jaguar scheduled to In the UK last mouth Austin Rover be launched later this year, has is believed to have regained second been tested by BL Technology.

Only 10 bids to run naval dockyards

THE NUMBER of companies wan- House, Plessey Marine and A&P ting to manage the two naval dock- Appledore. yards under the Government's partial privatisation plans has dwin-dled further, with the announcement yesterday that 10 have been

The Ministry of Defence said bids A promotion budget of £5m over | for the initial seven-year contracts in November.

In February the ministry said 15 companies wanted to tender marun the large Devonport yard in south-west England. Last night it said it was still seeking partners.

survival plan, says ICI chief

says Sir John Harvey-Jones, management and workers. "The

smaller part of our economy than and the Tory party and between the

been shrinking not growing." Sir have been a means of preserving to-John said, in the 1986 Dimbleby tally outdated adversarial atti-

change.

"Our manufacturing sector is a Confederation of British Industry

MANUFACTURING in Britain has become an endangered species, tween political parties and between species cite and stimulate the young to pur-

historic relationships between the

Labour party and the trade unions

symmetry of political and industrial

Sir John put forward a four-part

strategy for ensuring the survival of

manufacturing: exploiting Britain's

talent for science, emphasising the

international aspects of business,

young people into industry, and learning to manage industrial

Sir John said that Britain was in

danger of failing to recognise that

its science was a major strength. "I

fear deeply for the future of science

'sides' has a lot to answer for."

The management of Rosyth in

Scotland still has to decide whether to bid. It has been assessing internal and outside support. The contenders are: a consortium of Babcock International and Thorn EMI Electronics, another consortium in which Balfour Beatty has joined neering Industries; and Press

Successful bidders to run the nage the yards. Foster Wheeler of yards will have a core of naval the US has been told it will have to work, totalling over £1hn over link with UK groups if it wants to seven years in Devonport's case to which they can add other naval and commercial orders.

Five companies - Vickers Ship-Among those asked to bid are the building, Taylor Woodrow, Tyne present managers of Devonport. Shiprepair, MEL and Cossor - are Under the name of Devonport still interested in bidding but have Dockyard it is contending with a said they will need to form partner-consortium comprising Trafalgar ships.

cite and stimulate the young to pur-

Commenting that "Britain has in-

vented for others to exploit," Sir

John said "the spark of invention

and innovation must be fanned into

flame by marketing - and nothing

is more certain than that marketing

needs to be worldwide."

sue scientific interests " he said

'Endangered' industry needs a

struction.
The 400-acre site in Sherwood

600 bungalows in a landscaped setting with water and leisure facilities. The project has the sup-port of the East Midlands Tourist Board and the Nottinghamshire County Council.

The UK had an absolute and inescapable need for international companies, he said. "To be successful in an integrated world economy we have to compete in the growing areas of high-technology goods like chemicals, pharmaceuticals, electronics, telecommunications, motor vehicles and aerospace.

"These industries are enormous, and have to carry research and de-velopment costs far beyond the e of small companies. The costs and risks involved cannot be sustained by a tiny UK home market teaching in primary and secondary either," he said.

Liberal leader urges profit sharing

A BIG expansion of profit sharing a more equitable distribution of Similarly, Mr Steel argues that, schemes to help to regenerate British industry is proposed this morning in a pamphlet by Mr David Steel, the Liberal Party leader. Mr Steel discusses the current

experience with both cash profit-sharing schemes, such as those op-remuneration would rise when prof-ingly, a share of the profit." sharing schemes, such as those op-erated by the retailers John Lewis Partnership and Boots, and added value schemes like the one at ICI. together with various employee share ownership schemes.

help to encourage greater employee ficant element of profit sharing to involvement and job satisfaction, encourage co-operation and provide greater flexibility in the labour market.

| Involvement and job satisfaction, encourage co-operation and provide | provide greater flexibility in the labour market. | Involvement and job satisfaction, encourage co-operation and provide | provide greater flexibility in the labour market. |

wealth element of remuneration more wage-push inflation. The aim is to closely to profitability, companies permit profit sharing to develop volwould be made more responsive to the business cycle. Inflation, he itability and productivity allowed.

Mr Steel's pamphlet was written Lawson by explicitly linking profit before the budget last month when sharing into a national incomes Mr Nigel Lawson, the Chancellor of the Exchequer, floated the idea of

at a national level, profit-sharing Mr Steel says that by tying an can reduce Britain's suceptibility to untarily so that "gradually employ-ees will be paid not just a reasoningly, a share of the profit." Mr Steel goes further than Mr

In place of the present complicat-He argues that profit-snaring can tax incentives to encourage a signied regulations. Mr Steel proposes that only a few basic ground rules

run betting industry in **Netherlands**

By David Goodhart

LADBROKE, the biggest name in British gambling, has been granted a 20-year exclusive licence to run the horse-race bet-ting industry in the Netherlands. Ladbroke Bacing International said it had to pay nothing to take control of the small industry from the Dutch Ministry of Agri-culture and Fisheries and the Ministry of Justice. It is, however, aiming to invest £1.5m in the first year and a further 25th over the next four years. Horse race betting in the Netherlands at present makes a small loss on a turnover of about £20m.

Ladbroke already owns about 50 per cent of the industry in Belgium and William Hill, the Sears Holdings betting chain subsidiary, announced last month that it had bought 345 betting shops in Belgium out of a to-tal of 1,600.

The Dutch industry is far smaller, consisting of five off-course betting shops in Amster-dam, The Hague and Botterdam and the shops at the eight race-

Ladbroke believes that there is considerable room for expansion in the Netherlands - perhaps up to 580 shops. Mr Ken Overton, chairman and chief executive of Ladbroke's International Racing Division, said: "The new operation will be of great benefit to the welfare of the Dutch horse racing industry with whom we will be working closely on the expansion of betting.

"Our entry into the Netherlands, already preceded by our success in Belgium and Michi-gan, in the US, is part of an international development strategy." Ladbroke said that there were few restrictions on betting in the Netherlands with the shops able to stay open all day. The tax there was considered quite low by international standards. Negotiations began six months ago with the Dutch Government and at one time they are understood to have involved at least one other major UK betting group.

Dutch plan holiday village

A £31M TOURISM investment has been secured by the English Tourist Board (ETB) for a holi-Nottinghamshire, to be built by the Dutch holiday centre special-Tuesday this week. ists, Sporthuis Centrum.

The ETB, to secure the project, has awarded its largest grant to a single programme, £1.5m. Con-sulting engineers to the project are Ove Arup & Partners.

If the Sherwood Forest develonment is successful, Sporthuis Centrum is considering a further five or six locations in England for future holiday villages, creating 1,200 jobs.

Work on the village, due to

open in July next year, will begin immediately. It will create 241 full-time jobs and more than 400 will be employed in the construction

Forest will be developed on the lines of a formula developed on the European continent by Sporthuis Centrum. The organisation operates eight similar parks in Belgium and the Netherlands and claims an average annual occupancy of 98 per cent.
The completed project in Sher-wood Forest will offer a village of

Finance snags end Wimpy's Indian venture

By Gordon Cramb WIMPY INTERNATIONAL

which last year gave India its first taste of Western last food, has ended its venture there after several months spiced with re-crimination between the UK company and its local partner.

A 68-seat Wimpy Bar which opened in New Delhi in February 1985 was to have been the first of many outlets for Wimpy products uniquely adapted to suit Indian requirements - burgers made with lamb or vegetable protein instead of the beef which is forbidden to Hindus.

The problem, according to BIr Ian Petrie, managing director, was not inside the bun "which seems to have gone down very well," but in the financial arrangements with the franchise operator. These problems caused indigestion at Wimpy's London headquarters last September and a succession of advisers sent out to Delhi returned unsuccessful,

Ladbroke to Teachers claim to have lost confidence in their minister

DELEGATES to the annual conference at the second biggest teachers' union took a vow to stay silent yesterday to indicate to Sir Keith Joseph, Education Secretary, that they believed he had lost the confidence of the profession.

In extraordinary scenes at the conference of the National Association of Schoolmasters/Union of Women Teachers, Sir Keith's first speech to a union since the yearlong teachers' pay dispute was re-ceived without any reaction. In a question and answer session which followed, a delegate who told

the minister that the profession no longer had any confidence in him was given a thunderous standing Sir Keith said afterwards: "I think that they had imposed a selfdenying ordinance on themselves in order to restrain some of their members who might have shouted

The hour-long confrontation at the conference at Scarborough, Yorkshire, vividly demonstrated the depth of the continuing unrest in schools. Earlier in the day, delegates had unanimously backed a resolution condemning the Educa-tion Secretary for failure to defend



The minister had earlier again made it clear that the proposed General Certificate of Secondary ferred and are boycotting prepara-

Sir Keith told the conference You now ask your members not to take part in the programme of preparation. This does not seem to me to be either fair or reasonable. It will not seem fair or reasonable to the pupils or to their parents. The GCSE will not be postponed.

On funding, he said provision of extra resources would depend on better use being made of existing funds because ministers were bound to feel concerned about the education which is provided for many of our pupils."

Significantly, though, Sir Keith did not follow his recent practice of making reference to £450m a year extra as the most the Government would provide, in return for agreement on a new teacher contract in

forthcoming negotiations. Mr Fred Smithies, the union's general secretary, said the £450m was grossly inadequate. He gave a warning of a breakdown of negotia-Education, the new 16-plus sylla-bus, would begin in schools in Sep-tember. Both the NAS/UWT and come forward with more funds durthe National Union of Teachers, the biggest union, want introduction defor the talks.

LV set for £2m promotion

BY TONY JACKSON

A MARKETING drive worth 22m is to be launched on that humble British institution, the luncheon voucher. In the process, say its new French owners, the luncheon voucher's flagging fortunes will be transformed into 40 per cent sales

growth in the next three years.

The monopoly UK supplier,
Luncheon Vouchers, has been owned for the past year by Accor, the French hotel group which bought it for an undisclosed sum from a UK consortium of Grand Metropolitan, Trusthouse Forte, Al-lied Lyons and Associated British

Mr Olivier de Bosredon, managing director of Luncheon Vouchers said: "We were keen to acquire the company because we could see it wasn't being exploited to its full potential. Its previous owners saw it as a granny business which they weren't interested in developing."

der its old ownership was supported only by "a few Press ads and mailings," is to have a trained sales force combing the country for new clients, a national advertising campaign and a revamped design for the vouchers themselves.

Accor has one advantage. It can set the UK market in an international context as the company is the world's biggest supplier of meal vouchers with operations in 10 countries from Sweden to Mexico.

In one respect the UK market is almost the worst in the world, Only 15p per day of luncheon vouchers be given tax free, a figure which has not changed from the three shillings allowed by statute in

Now, apparently, it will be different. Luncheon Vouchers, which unee whereas the European average, Accor says, is about £2. The £2m which Accor aims to

spend in the next three years seems an expensive way of adding to present sales of just £51m. But as Mr de Bosredon makes clear, the meal voucher business is a nice little

Accor charges customers around the world an average commission of 3.25 per cent and caterers a further 0.8 per cent. Best of all, it gets paid for its vouchers on the nail, and reimburses on average two months

Mr de Bosredon is confident the UK market will go his way. Com- Irish agreement against the will of panies have to give benefits to staff. You can't build a staff policy just with money rewards. We find that As a result, a quarter of UK com- true of blue chip companies around

Mobile telephone price war widens

BY JASON CRISP

THE FIERCE price war for mobile is now under strong pressure from first year's subscription to Cellnet radio telephone equipment has many of its retailers to revise its are £468, 34 per cent higher than spread to the cost of using the service. Cellnet, one of the two UK cel
Mr Colin Davis, managing directory with the cost of using the service. We colin Davis, managing directory with the cost of using the service its are £468, 34 per cent higher than Vodafone.

Vodafone's £350.

Yesterday's move by BT Mobile hilar radio networks, is being tor of Cellnet, said: "We are rethinkforced to reconsider price rises ing our tariffs. There are wide imlows a similar decision last week by which only came into effect on

Yesterday, Cellnet's sister compa-ny British Telecom Mobile Phone Division and the largest retailer on its network, postponed indefinitely its plan to put up connection and subscription charges this month even though it means making a loss on that part of its revenue.

Its move follows an announce ment by the rival network Racal Vodafone on Tuesday that it was not putting up its connection and subscription charges. Cellnet, 60 per cent owned by British Telecom,

plications for any change and we don't want to react too suddenly." A decision is likely in about a week. However, call charges on both the Cellnet and Vodafone net-

duces the first significant difference in tariffs between the two network since they were launched in January last year. At present, the

Yesterday's move by BT Mobile

Motorola, another leading retailer of Celinet. Mr Colin Tipping, head of retail at BTs Mobile Phone Division, said; "As market leader we have had to

dio telephones has exceeded expectations, there is so much competition between the retailers that equipment prices have fallen recommended fixed charges for the sharply.

Onshore drilling rebuff for **Amoco**

AMOCO, the US oil company has been refused permission to drill for oil and gas in a beauty spot near Hastings on the Channel coast, Dominic Lawson writes.

-It is the first time that the East County Council has refused a company permission to drill in a region which is viewed by the international oil industry as having great pot-ential for oil and gas discoveries.

Amoco said yesterday that it was disappointed at the decision and it reserved its right to appeal to get

the decision overturned.
Conoco, another US oil company with extensive interests in UK onshore oil and gas exploration, last year used an appeal to the Government to overturn a similar objection to a well planned in Surrey, south west of London.

yesterday that the proposed drilling site, at Fairlight, was within the High Weald area of Outstanding Natural Beauty, close to Hastings Country Park and a residential

In the first UK onshore oil and gas licensing round last month, Amoco was awarded more tracts to explore than any other company, the

company has suspended all its North Sea drilling as it reassesses its budget in the light of the oil price collapse. Oil companies increasingly take the view, that with an oil price below \$15 a barrel, onshore exploration is the most attractive option. This seems likely to lead to more conflicts with planners wishing to

protect the environment. O POLICE in Northern Ireland have set up a committee to study the position of officers under the threat of violence and intimidation

from Protestant extremists. The move is designed to help to allay fears of policemen who have come under physical and verbal attack, especially since the banning of a Loyalist parade on Easter Mon-day. Sir Eldon Griffiths, parlia-mentary adviser to the Police Federation, said officers in Ulster were being asked to police the Angloa large majority of the community. D MANY of the controls on noise at

UK airports are outdated, ineffective and need to be substantially improved, the Consumers' Associa-tion says. Noise limits at the London airports of Heathrow, Gatwick and

Stansted were set 25 years ago. The

association says they were meant for an earlier and noisier genera-tion of aircraft and do not encourage airlines to adopt quieter flight II HILL SAMUEL, the merchant making company in equities which will begin operations on April 28. It is an interim measure ahead of the

deregulation of the British securities in October when companies differential tariffs are being introduced in London, where the telephones are mostly used

Racal's price structure which
comes into effect on June 1 introduces the first significant diffe
Racal's move. But it is will be able to act as both stockbrokers and market makers. Until
small companies. None of us is
small companies trading on the
functions of both broking and market making separate.

□ WORKERS in the electricity sup ply industry are to vote on industrial action after employers refused to improve on a pay offer worth be-tween 5 and 5.5 per cent.

Consultancy fees rise

TOTAL FEES earned in the UK by The spate of acquisitions and member companies of the Manage-ment Consultants Association the impending Big Bang in the (MCA), which accounts for about 60 City of London are given in the asper cent of qualified consultants, sociation's annual report, published

ber of consultants recruited last personal management and training, year for UK and overseas work by The value of public sector work was MCA members increased by 18 per about a third that of the private sec-

rose by a record 45 per cent last yesterday, as some of the reasons year.

Business probably increased by Within the UK, where fee income about 25 per cent, after allowing for association members jumped by average fee increases of 10 per cent and the use of more expensive speares were in information technolocialist consultancy staff. The num- gy finance and administration, and

Pension value doubted

PFRSONAL pensions are unlikely posals is the right of all employees to provide benefits as good as those to opt out of Serps and/or their under the state earnings related company pension scheme and take

pension scheme (Serps) except for out a personal pension from a life younger employees, even with a 2 assurance company, unit trust per cent extra contribution incen- group or a bank.

This conclusion is made by Schroder Financial Management, the personal financial arm of merchant bankers Schroders, in its analysis of the Schröders, in its analysis of the Schröders, in its analysis of the Schröders and Schrö alysis of the Government's pension period from April 1988, the change-proposals contained in the 1986 So-cial Security Bill. one central theme of these pro-

John Hunt reports on the Fulham by-election campaign

Alliance draws Labour fire

mentary by-election in Fulham, west London, has entered its final week with all the local opinion polis showing the Labour candidate

ahead.

The by-election, to be held next.

Thursday, is seen as an important test of voters' attitudes in the wake. of the Government's embarrassment over the Westland and BL afairs, and Labour's own embarrassment over its attempts to discipline supporters within the party of the far-left faction Militant Tendency. The election is caused by the death of the Conservative MP who

held the seat at the 1983 general election with a majority of 4,789. Labour stepped up its attacks on the Social Democrat-Liberal Alliance yesterday but this intense activity was seen by the Social Democrats as a sure sign that Labour is nervous about the threat posed by the Alliance in the closing stages of the campaign.

At the daily press conference, Mr Nick Raynsford, the Labour candi-

date, backed up by Mr Rodney
Bickerstaffe, general secretary of
the National Union of Public Employees, virtually ignored the Tories and concentrated his fire on the Alliance.
An elaborate "indictment" was

distributed, drawn up in correct legal form, complete with pink rib-bon, and headed The People vs the Alliance." It contained a list of alleged cuts

of 9.7 per cent in local social services between 1982 and 1986 and blamed these on the Hammersmith and Fulham Council, where the To-ries are kept in power by the sup-port of three Liberals.

The document accused the Alliance of wilful disregard for the well being of the people of Fulham," and "criminal negligence in avoid

the young and the aged."

Mr Raynsford said he was willing to serve "this indictment" on an Alliance supporter if he could find There were also indications of La-

ing responsibility for the needs of

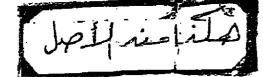
from their windows. They will attempt to portray themselves as the only party that can defeat the Tories and will prob-

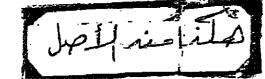
ably try to convince you that the Labour Party has been taken over by extremists or some such nonsense." he warned. Mr Bickerstaffe concentrated on possible hospital closures in the area, and the number of hospital ancillary staff who had lost their

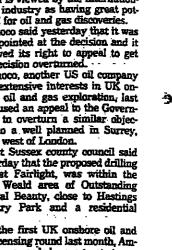
jobs. He said that "earing capi-talism" really meant "if you have got capital, we will care for you." All the opinion polls carried out locally have put Labour ahead and was not attending because it Mr Raynsford declared yesterday: clashed with a meeting addressed Mr Raynsford declared yesterday: clashed with a meeting addressed "We have a substantial lead. The by Mr Norman Tebbit, Conservaothers are not catching us up. The tive Party chairman. He alleged that the Church meeting had been

porters. Mr Raynsford sent a letter supporting the Alliance candidate to electors telling them that SDP Roger Liddle, said it was still a them to remove Labour posters at the moment the Labour horse from their windows. was out in front, but thought his party had a very good chance of beating the Conservatives. But, he said, it the SDP could make the Conservatives realise that they could not win and that they must cast their vote to prevent a Labour victory, then the sky's the limit for

There was some typical by-election knockabout over the failure of Mr Matthew Carrington, the Conservative candidate, to appear at a debate with the other candidates or ganised by the Fulham Council of Churches. Mr. Carrington said he cant number of them are coming organised in such a way as to ex-







For the Highlander, distilling whisky was as natural as breathing air. Generation after

passion for turning the water of the glens into the 'water of life'.

Whisky wasn't just his traditional national drink. It was his bread and butter. Distilling was virtually the only way he could turn his victuals into cash to pay rents, reward his workers and to feed and shelter his family.

But by the middle of the 18th century, the government made this well nigh impossible.

Thirsting for revenue, it imposed prohibitive taxes on whisky making.

While some Highlanders were brought to their knees and paid up, many others took their stills and skills, and fled to the remote mountain areas to produce their beloved whisky illicitly.

The Highlanders see red.

Almost immediately, excisemen, or gaugers, were despatched North, to stamp out the practice and apprehend the offenders.

This angered the Highlanders.
To them it was the government and its red-coated lackeys who were the criminals, taking the very bread from their mouths.

Robert Burns (who, ironically, became an exciseman later) expressed the nation's sentiments in venomous verse: "Thae curst horse-leeches o' th' Excise, Wha make the whisky stells their prize! Haud up thy han', Deil! ance, twice, thrice! There, seize the blinkers!

An' bake them up in brunstane pies for poor

damn'd drinkers."

Such was the Highlanders

contempt for the law that it was not

even considered a disgrace to go to

prison for illicit distilling.

Indeed, in Dingwall Gaol convicted distillers were treated with privilege, being allowed out on Sundays and special occasions.

One prisoner even approached the governor, with the remarkable proposition that they set up a still together in the gaol.

Such widespread defiance made curbing the outlaw whisky makers a hopeless task.

As one illicit still was closed down, another began. And in 1747, one particular still began, which was to become the most famous distillery of them all. THE GLENLIVET Distillery.

1

3

The Name Dropper.
The founder of THE GLENLIVET

Distillery was one John Gow, alias Smith.

He was a veteran of Culloden, having fought and lost on the side of the ill-fated Bonnie Prince Charlie, and was forced to flee his old haunts near Braemar for fear of his life.

Smith. He took his family North, hid den, in a remote valley and dropped side of his gaelic name Gow in favour of arlie, Smith, to baffle the English soldiers.

(Which explains why such a Sassenach name appears on our label.)

THE GLENLIVET — MUCH SOUGHT AFTER

In 1747, whisky vas distilled wit

nuch conviction

There he settled down for a quiet, anonymous life of farming and, of course, illicit distilling.

The Well of Fortune.

As luck would have it, John
Smith had made his new home in
the precise spot where the water and
the peat were the best in Scotland for
making malt whisky.

He had discovered Josie's Well.
It is the pure Highland water that
springs from Josie's Well that makes
THE GLENLIVET so special.

We can't explain it. It just does.

And there is no other well that performs the same magic. THE GLENLIVET made with any other water would not be THE GLENLIVET.

By the time John Smith's grandson George, inherited the still in 1817, the fame of the illicit GLENLIVET had spread far and wide.

"It is worth all the wines of France" opined the Doctor in Sir Walter Scott's St. Ronan's Well, "and more cordial besides."

Praise indeed for THE
GLENLIVET's "cunning chemists,"
as Scott called George Smith
and his workers.

Christopher North, who in 1827, wrote a famous series of sketches in Blackwood's Magazine, quoted James Hogg, the Ettrick Shepherd:

"Gie me the real Glenlivet, and I weel believe I could mak' drinking toddy oot o'sea-water. The human mind never tires o'Glenlivet, any mair than o'caller air. If a body could just find oot the exac' proportion and quantity that ought to be drunk every day and keep to that, I verily trow that he might leeve for ever, without dying at a', and that doctors and kirkyards would go oot o'fashion."

Going straight.
Such a celebrated whisky couldn't remain illegal for long.

(Although outlawed, THE GLENLIVET was the toast of gentlemen,



lords and even kings. George IV of England was said to drink "nothing else.")

It was the Duke of Richmond and Gordon (George Smith's landlord) who eventually put THE GLENLIVET on the straight and narrow.

He persuaded Parliament to pass the Act of 1823 which made legal distilling worthwhile.

The following year George Smith took out the very first licence. Making THE GLENLIVET Scotland's first malt whisky.

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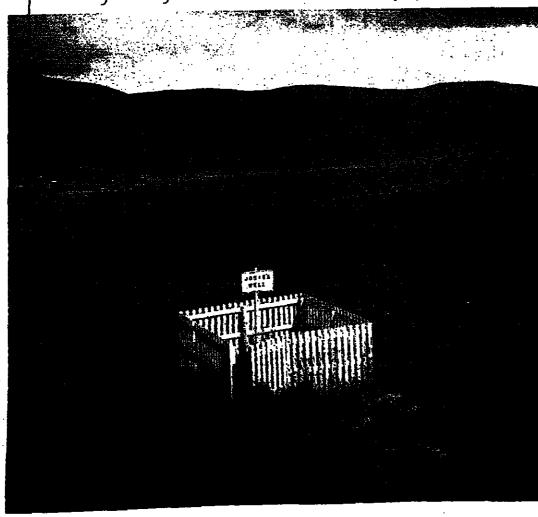
distinctive 'nose' has been

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Scotland's first malt whisky.



DOWN IN Surabaya the bustling port that is Indonesia's second biggest city. Chinese traders sit in their invariably scruffy-looking emporiums. An eiderly man in navy shorts, vest and sandals looks on indifferently from behind a dusty desk. Ask to speak to the owner and he will point to another nearby desk and empty chair. "The owner is out . . . but can I help?" Such tactics form part of the camouflage of Chinese business practice in Indonesia: the man is in fact the unlikelylooking boss of what is probably a considerable business empire.

There are 165m people in Indonesia. Only 3m to 4m of them are Chinese. But as in many other countries in the region the Chinese tend to dominate most fields of economic activity. It's often alleged that 70 per cent of Indonesia's economy is Chinese controlled. Almost all businesses are family-Indonesians as frontmen or are in league with prominent political or military figures.

However, the family structure which has many benefits for smaller businesses can, as com-panies grow larger, lead to management crisis when the father, the grand patron, dies. This is because, under the Chinese system, all resources are split between sons. This tradition is often cited as the reason why Chinese companies —in contrast to their Japanese counterparts—tend to have only a limited life span, rarely sur-viving for more than two cenerations.

In Indonesia, where tradi-tionally Chinese beliefs of filial and family respect are perhaps more entrenched than elsewhere in the region, the death of the father therefore often ushers in a period of acute business uncertainty. Gudang Garam is Indonesia's leading kretek or the growing potential of the clove cigarette moker. It is also kretek export trade. Meanwhile Indonesia's leading kretek or the second biggest employer: more than 40,000 girls earning about \$1 per day work at Gudang Garam's factories in Kediri, East Java, rolling most of the cigarettes by hand. No profit or turnover figures are ever disclosed but it is estimated that annual sales come to well

daily checks on tobacco quality and worker performance. Few people outside the immediate family circle were allowed any inherits all property, thus premanagement responsibility. A serving the overall integrity of favourite son, designated to the household or business, take over the business, was taked in a helicopter crash.

The Chinese tend to be far more independently - minded

Private businesses

Chinese strain to keep family control

Kieran Cooke on the problems of a powerful Indonesian minority



"Old Chinese proverb say: "Better the shop is divided among sons on death of Patriarch than be taken

dynamic, modern company. Through his First Pacific group

international business empire

with total holdings estimated at

between \$6bn and \$9bn. In the last few years the group has

taken over the Dutch Hage-

meyer trading company, numerous financial institutions

round southeast Asia and the

California-based Hibernia Bank-

shares bank. Liem's group is

also increasingly involved in

both trading and major indus-trial projects in China; through

his Liberian registered China Pacific company Liem has a 30 per cent stake in a refinery project in Fujian province.

Much of the Liem group's

international success can be

attributed to copying Japanese

skills; notable gains have been achieved by combining trading

and credit skills in a similar

way to Japan's integrated trad-ing groups. But Llem concerns

in Indonesia—on which overall group performance is critically based — remains very much a

based — remains very much a family affair. Few financial

of medical treatment. As a of an ox," meaning that it is tycoon, Liem Sioe Liong, is result crucial decisions on far better to be the boss of often cited as an example of a diversification and the introduction of new cigarette brands were not made. Business analysts in Jakarta say Gudang Garam, for all its size and power, is now losing its domination of the domestic market and has failed to take advantage of no clear decisions seem to have ben made on who will run the company in future.

According to Paul Hsu, a Taiwanese management expert who has made a special study of Chinese business methods in the southeast Asia region, the splitting of property and econoover \$1bn.

Up to his death last year the company patriarch and founder, in effect, that the household rant role in all Gudang Garam's by a number of units or affairs, to the extent of making the fact.

killed in a helicopter crash.

Company personnel say Tjoe than the Japanese—an outlook refused to delegate even when he was forced to go to New Zealand for an extended period head of a chicken than the tail oriented resources where insubased — remains very much a larity has been reinforced and summed up in the Chinese say.

The sprawling business empanies. It is not even clear

employee of a giant corpora-tion. Family and not corporate in Hong Kong Liem controls an loyalty is the dominant factor. international business empire In Indonesia such feelings are reinforced by the political position of the Chinese. In Dutch colonial times the

Chinese were often used as administrators and became a group increasingly separated from the rest of society. Though many Chinese have been in Indonesia for several generations—a considerable number can no longer speak any Chinese-they remain in many ways a race apart, resented for their economic power and mistrusted politically. Any display of Chinese script is forbidden; there are no Chinese schools and most

Chinese have to carry special identity cards. There are also restrictions on Chinese entry into state universities, government jobs and on the provision of cheap credits. As a result the chinese community has been thrown back on its own, family oriented resources where insu-larity has been reinforced and

are involved but well over 40 companies are directly concompanies are directly con-trolled by Liem and his two brothers in enterprises ranging from cement and steel, textiles and flour to bulk carriers, noodle making, and real estate. Only Bank Central Asia — Liem-controlled and the largest private bank in Indonesia—and associated insurance and finance

exactly how many businesses

associated insurance and finance companies issue annual public accounts. Liem himself spends much of the time either in much of the time either in Singapore or Hong Kong. Group spokesmen are notoriously elusive. In part this is due to Liem's close and acutely sensitive relationship with those in power in Indonesia. President Suharto himself is a business associate. A daughter of the President is a major share-holder in Bank Central Asia, while the President's brother is a partner in several enterprises. But increasingly questions are being asked about the overall performance of the group, especially at a time when Indo-nesia is going through its worst mic downturn in nearly 20 years.

Overly centralised control and an unwillingness to separate ownership from management have resulted in some bad deci-sion making. The Indocement company is the largest cement producer in southeast Asia and the foundation of the Liem empire. But over-expansion has meant that around 60 per cent of the company's 9m tons a year capacity is not being used. Only 18 months ago Liem announced plans for Indocement to go public

This has not happened: in-stead, in a move bitterly criticised by many, the Government bought a 35 per cent stake in the company for more than \$320m last year. The government said the purchase was in order to "safeguard supplies of a strategic commodity." Others saw it as a bail-out of what has become one of Indonesia's largest private companies. Business analysts feel that a major part of the problem has been the Liem group's unwillingness to adjust to growth and bring in outside managers. Liem and his brothers seem intent on giving more control of the group com-panies to their sons. A glance at the names on the boards of almost any conglomerate in Indonesia reveals a similar

story. is increasingly being seen as his father's successor. The question is whether the 36-year-old Anthony, trained in business management in England, will turn the Liem group into a truly modern business or whether he will choose to keep it firmly family varrolled. For the time being 14 least, it seems the old Japanese executives

Elite shun lifetime loyalties

Nobuko Hara reports on changes in working practices at the top

LAST YEAR, Japan's three top trading firms, Mitsubishi, Mitsui and C. Itoh, lost their best crude oil traders to foreign competioll traders to foreign competi-tors. And in January this year, another major trading house, Marubeni, suffered a similar blow. Mitsubishi's Tsutoshi Kita-hara, 37, moved to the Austrian steel company, Voest Alpine, while C. Itoh's Hisashi Nasu, 42, switched to Elf oil, and Maru-beni's Advested Tairshi Matbeni's 40-year-old Takashi Mat-sumura to an American trading sumura to an American training house, Marc Rich. The most adventurous of all, Mitsui's Eiji Wakiwaka, 36, went to London to become BP's senior

crude oil trader. This exodus, while reflecting a growing demand for Japanese a growing demand for Japanese traders, has a far greater social implication: Japan's traditional practice of lifetime employment is fast being eroded.

The breaking down of lifetime company loyalty has been visible for some time. There has been a steady increase in job-switching in the past few years, particularly among the young and the less educated. It began to gain social respectability partly through positive media coverage. But elite establishments, like Mitsubishi and Mitsui, still seemed immune from the trend—until the departure of these four men.

of these four men.

It is still every Japanese boy's dream to get into a prestige university, which provides an entry to a large corporation. Employees are not willing to give up the hard-fought-for security and prestige easily, particularly because, once out of the company, there is no way back into it. Most large establishments still rigidly adhere to the policy of Mring only "clean later" extraplet and of college. slates" straight out of college. Undoubtedly, the sudden de-parture of these experienced traders in their prime sent a few shockwaves through the

' says one senior Mitsubishi employee.
"It is absolutely fatal to have fakeover, you might say," says a BP executive, referring to Wakiwaka's transfer. But apart

The departure of these oil-traders highlights the inflexi-bility of the seniority-based pro-motion and pay structure — the seemingly egalitarian system which induced company co-hesion and loyalty so vital for Japan's rapid post war economic growth. growth.

"It is ridiculous that twopeople doing completely different jobs should be paid the same," said a Mitsubishi employee. Oil trading is a highly specialised job requiring a razor sharp mind and the ability to make quick judgments under pressure. The work is similar that of foreign exchange dealers—making international transactions worth millions of dollars on the phone. Naturally their salaries are high in the West—\$100,000 minimum for top traders, one Japanese businessman points out. Yet, Kitahara's basic pay was more or less the same as other 37-year-olds at Mitsubishi (perhaps \$50-60,0000 a year) only a frac-

Promotion

The same, of course, was true of the other three, Kitabara's biannual bonus might have been higher than his colleagues, and the might have got his promo-tion faster, but the difference would have been marginal, ex-plained the Mitsubishi insider. ture and speak fluent English. In fact, the Mitsubishi

tion of the profit he was making

employee stresses that the traditional personnel system dampens creativity. He recalls a a well-known dictum: "Never be late for work, never take days off, but don't work hard resigned only a few years after either. Don't make mistakes. his return from the United That's the key to survival in States where he attained an Japanese organisations."

four trading firms. "The com-pany made him what he is trated in a conservative environment. "I couldn't let him do what he wanted to do," says a fight when leaving a com-pany," emphasises Wakiwaka. Kitahara's former superior at Indeed, all four left their com-panies amicably. "A friendly colleague echoed the same view: "There were too many people

The departure of these oil- their contacts with them to new

foreign competitor can beat us," beasts an oil trader work-ing for a Japanese trading house. Western companies need the help of Japanese traders with good contacts in order to do well in the market in Japan. This is why they are always on the lookout for good Japanese traders. Wakiwaka too, he reckons, will eventually be sent back to Japan where he will be most valuable to BP.

It is too early to say how far and how fast this trend will spread among trading houses and oil companies in Japan, or indeed whether the same trend will spread to other industries. In the financial sector, a trans-In the financial sector, a transfer market on a bigger scale is already evident. Foreign securities houses opening new offices or expanding existing ones in the liberated Tokyo market have been aggressively head-hunting Japanese bond-dealers and stockbrokers. But securities houses do not carry the prestige houses do not carry the prestige of trading houses, so this sector should be considered in isola-

. Wakiwaka and the others are Kitahara, a diplomat's son, was mostly brought up in Europe, while Marubent's Massumura has lived in London. C. Itoh's Nasu spent four years in Italy and Singapore, and Wakiwaka MBA from Harvard.

Greater responsibility and freedom offered by Western firms are enormously attractive to able and ambitious men fruswill hesitate to break off from the Japanese corporations they grew up in "Leaving a Japanese firm is tantamount to leaving Japanese society," Waki-waka says. There will be financial constraints too, such a BP executive, referring to Wakiwaka's transfer. But apart from Wakiwaka, who is safely out of anybody's reach in London, the others are reluctant to talk about their job-switch. "Twe been asked by the personnel department (of C. Itoh) not to meet the press," says Nasu, who is now with Elf.

Americ were too many people as immediate settlement of low-interest mortgage loans which Oil traders work almost Japanese employees pay back entirely on their own, building to their companies throughout to their working lives. "You have to be well-off to take such a drastic step," says one trader, negotiations with other dealers "Besides," he adds, "there is now with Elf.

So these men could take sack." as immediate settlement of low-

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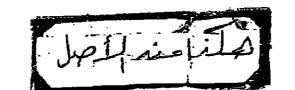
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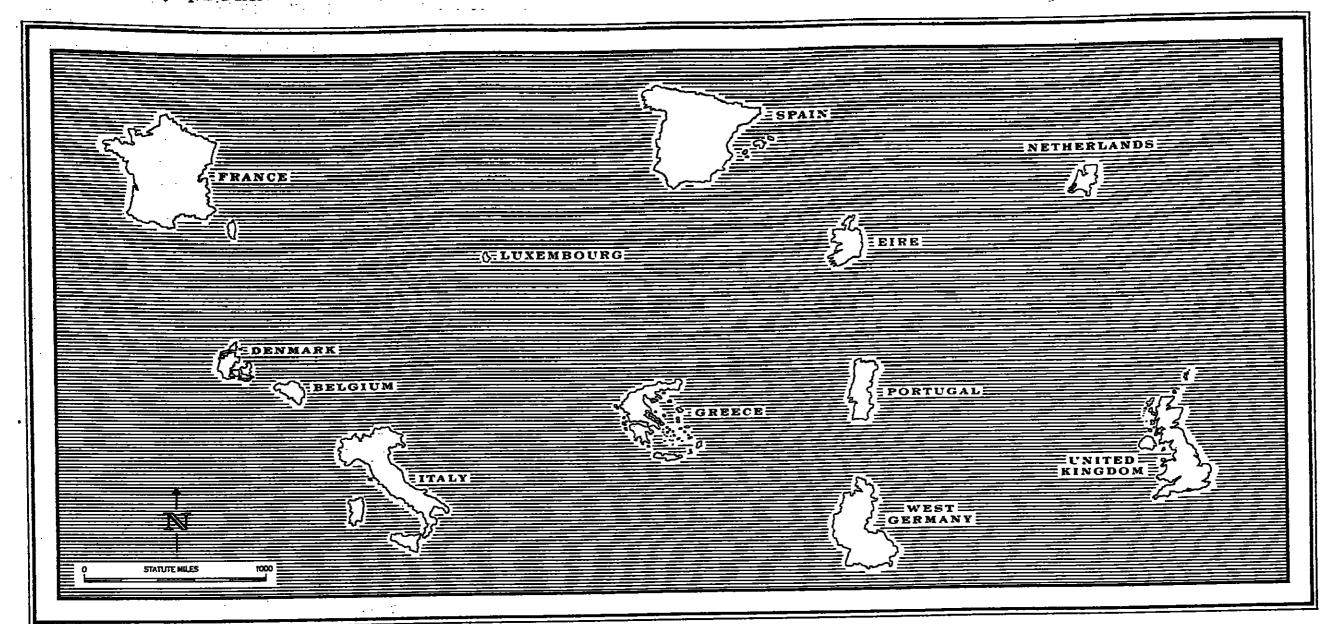
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BASE LENDING RATES





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The VAT laws, for example, have been brought into line – but even they vary in detail from country to country.

Overall there are still many more differences than similarities — and in some cases, EEC directives don't replace the old national laws but exist alongside them, and fail to achieve the harmony that was intended.

In fact the complications are such that you don't have to be American or Japanese to be confused by them.

The Europeans themselves have more than enough trouble understanding each other's way of doing things.

Then there are the countries outside the Community – Sweden for example – who have their own system of laws and operating practices which are different again.

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We have unmatched experience and expertise in guiding our clients through

it does across the boundaries between states back home.

The reality of course is different.

In the UK our client is the wholesaler while the members of its sales force are self-employed traders.

But in Italy the company is classed as the retailer, while its sales agents are

The most cost-efficient structure depends not only on the nation in which you're doing business, but also on the country in which your firm is based.

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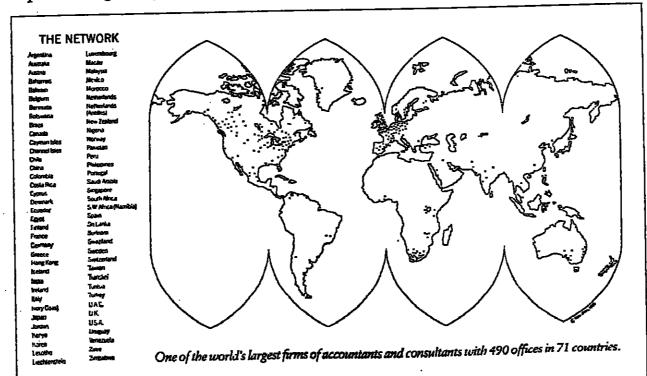
All these decisions must be taken well in advance, often as long as three years before you open for business, if they're to have the desired effect.

That's why you should talk to KMG sooner rather than later.

Anyone can hope for a more united Europe; but to deal with it as it is today you need all the help you can get.

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Europe's diverse financial institutions and regulatory bodies.

For example, one of our clients is a fast-expanding pharmaceutical company based outside Europe.

In an ideal Europe this firm would be able to standardise its way of working, irrespective of national frontiers – just as each paid an introduction fee.

Why? Because if the UK system was used under Italian laws, the VAT and income tax implications would leave both our client and its sales force worse off.

In France the regulations are different again, so we helped our client devise yet another modus operandi.

TECHNOLOGY

IS A new age of telecommunications about to be born?

A lot of people think so. They are the enthusiasis behind a sweeping technological change moving into the world's telephone system. promises speedy, top-quality transmission not only of con-ventional telephone calls but of all manner of non-voice communication: computer data, telex, images, even video all on a single telephone line. It promises lower operating costs for telecommunications carriers, valuable services for users, and new markets for equipment makers.

If this all sounds very rosy, it also seems to a number of on-lookers, potentially, like one of the biggest fiasors yet in the teaming up of computer and communications technolo-There is every chance that the concerned partiesincluding carriers, users, and suppliers—will fail to agree among themselves on the development of compatible systems. The international telecommunications standards-set-ting body, the International Telegraph and Telephone Consultative Council or CCITT, transmission. Or services, such is trying to prevent this worry- as encryption, electronic mail, wide network.

Because the network would be digital, integrated (carrying both voice and data on a single line) and offer services made possible by its intelligence, the concept carries the somewhat cumbersome name of the integrated services digital network, or ISDN.

Its task is not easy. The stakes are high and nobody wants to sacrifice his piece of

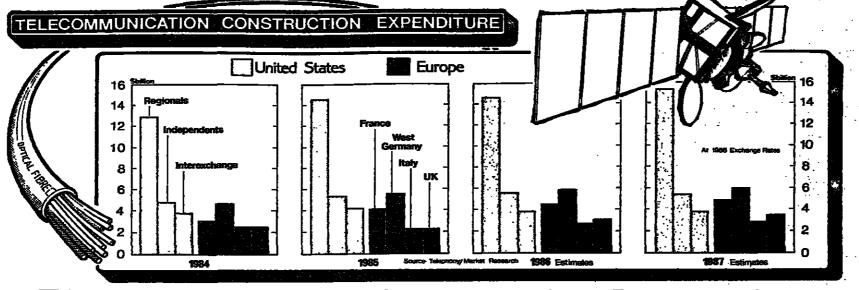
At the heart of the change are the 1s and 0s that are the digital language of the com-Communications, whether voice or data, will travel in digital form, instead of the conventional analog form upon which the world's telephone systems have been

The implications are enormous. The 1s and 0s can be manipulated in all sorts of ways not possible on analog is worsening as more of the systems. Digital information world telephone network goes can be carried faster and with less degradation. But that is only the beginning.

communications means that and mantain them and cost less intelligence can be built into the network making possible services far beyond normal telephoning. Switching equipment. For many, telephoning. Switching equipment, or exchanges, can be programmed to manipulate information in all sorts of ment is replaced. The so-called ways. Data can be packaged into bundles for more efficient or run. Telephone operating to run. Telephone operating operating companies—some in ment makers, and telephone operating companies—some in monopolistic environments and some in deregulated climates. The desired incarnation of the International Telecomment is added or old equipment is replaced. The so-called into bundles for more efficient or run. Telephone operating companies—some in monopolists to creep over other services not tradiationally covered by them," says schemes to find out what if the some in deregulated climates. The desired incarnation of the International Telecomment is added or old equipment is added or old equipment, or exchanges, can be policy whenever new equipment is added or old equipment is added or old equipment. For many, telephone operating companies—some in monopolists to creep over other services not tradiationally covered by them," says schemes to find out what if the some in deregulated climates. The desired incarnation of the International Telecomments and the many tradictions of the International Telecomments and the many tradictions of the International Telecomments and the many tradictions of the International Telecomments are fast installing operating companies—some in monopolistic environments and the many tradictionally covered by them," says schemes to find out what if the many tradictions of the International Telecomments are fast installing operating companies—some in deregulated climates.

The desired incarnation of INTUG). "Its a horrifying demonstrations of ISDN capables of the international Telecomments are fast installing operating companies—some in deregulated climates.

The desired incar



Enter the intelligent telephone line

matically. Other programs could ease data base access by, for instance, automatically cross-referencing requests with lists of sources. Applications, providing capacity (called bandwidth) is adequate, are limited only by the imagination.

This very wealth of possibilies is also the source of complications that could stall the arrival of the new order enthusiasts envisage. Whoever controls the intelligence controls the lucra-"valued-added" services which are set to account for a growing share of network revenues in the future. So the issue of where intelligence is located within the network is critical. It can be at various points, such as in central public exchanges, in private-branch exchanges (PABXs) on a company's own premises, or in various terminal equipment on

This struggle for domination digital. The shift is driven by economics: digital transmission nly the beginning.

The union of computers and need fewer people to operate communications means that and mantain them and cost less

hand to the user.

going in elsewhere.

To cope with these changes

rate standards that are being

taken up by carriers and manu-

facturers. But much is un-resolved, and further progress

different motivations for creating ISDNs. In Europe, some the CCITT is developing powerful government telecoming in a more market-driven standards to govern what it munications authorities (called way in the deregulated sees as the evolution of a PTTs) see ISDN as a way to environments of the US and worldwide digital telephone extend their monopolies, contact the UK. "The privatisation of

tion, so as to ensure provision of the best services, maximum

CCITT has already set including eventually cable tele-important ISDN transmission vision. User groups want such rate standards that are being functions out of the grip of the taken up by carriers and manu-monopolies and open to competi-

could take decades, but experts cations analyst with A. D. Little vices, they are putting their own believe total conversion to in Weisbaden. "There are big countries at a disadvantage." digital is largely a matter of ones, small ones, blue ones and time. Without standards, how-yellow ones." PTTs will be in a position to ing scenario. Critics see a or automatic format conversion digital is largely a matter of ones, small ones, blue ones and Critics are also worried that the white elephant in the making, so that computers of different time. Without standards, howbut CCITT is ploughing ahead makes can "talk" to each ever, equipment in one location Even among telephone neture tariffs as a way of forcing to set standards for a world-other, can be provided automay not be compatible with that work operators there are widely ISDN capability on customers who do not necessarily want it. By contrast, ISDN is developlate next year.

worldwide digital telephone extend their monopolies, con- the UK. "The privatisation of network. It forsees one grand trolling what services will be British Telecom and competigiobal highway available to offered to whom and at what tion from Mercury have global highway available to offered to whom and at what anyone and oblivious to such barriers as national boundaries or incompatible equipment, thus avoiding the very problem such such price.

West Germany's Deutsche have to offer the customer more, that you have to think aggressive plans for introducing about what they want instead

Jane Rippeteau on computerisation of the world's communications network—what it means for users and suppliers

the computer industry got it-self into with numerous non-communicating designs.

ISDN capability, and is counting of doling out technology," says on 3m subscribers by 1995. It foresees integrating all services,

Computers and Telecommunication. British Telecom is presently running a pilot ISDN service, with about a dozen business customers. Separately, it offers high-speed lines on a will require a balancing act of variety and lowest costs.

wall require a balancing act of variety and lowest costs.

Excluding the UK, "the PTTs choosing to build their own in Europe will use ISDN to private digital networks.

bag of business users, equipallow their monopolies to creep

A number of US carriers are

over other services not tradi-tionally covered by them," says schemes to find out what if George McKendrick, chairman anything their customers want.

intend to deploy," says systems manager Mr Wayne Kirsch. One application shows how an identity card reader would allow a user to access his own phone or terminal using some-one else's equipment. Mr Kirsch does not see any commercial applications before

Illinois Bell is somewhat further along with its ISDN programme. This year it will initiate a six-month ISDN trial with McDonald's Corp, the American hamburger restau-rants company. In its head-quarters, McDonald's has a mix of computer equipment, run-ning from IBM, Tandem and AT&T machines, to computer-aided design terminals and Wangs used for word processing, according to Mr Ron Czaplewski, Illinois Bell marketing manager.

"The ISDN trial will eliminate this incompatibility where needed" among three different buildings, he says. After the trial, Illinois Bell expects to extend the service to "our major metropolitan business locations," he adds.

In deregulated environments, the operating companies are trying to develop attractive ISDN capability on the public telephone system before it is too late. More and more of their best customers — big, rich companies with huge telecommunications appetites — are getting fed up with waiting for this capability which holds so many important business advantages. Big companies already have enormous investments in com-puter capability. But as with this equipment. Makers are McDonald's, those systems often rushing in anyway, in a risky

cannot easily communicate with desired speed or volume. The companies want to be able to transfer major documents, hold video conferences, talk and view data simultaneously at two

distant locations.

ISDN would make it possible, for instance, for a sales manager at headquarters to telephone a regional manager while at the same time calling up a sales graph on his desktop terminal and sending it to the regional office. The two could see and discuss the graph at once.

In the most extravagant example, General Motors went so far as to buy the Dallas-

based computer services com-pany Electronic Data Systems, partly to build such network capability. Many companies are attacking the problem on a lesser scale. In December, British Petroleum set up a new internal service it calls GROUP-NET to link its London headquarters with Aberdeen and 11 other UK sites. Anyhody who is connected can transmit voice, data, text and even images to any other connected location.

Participants in a third market sector are also jumping the gun into ISDN before universal standards exist. These are the equipment manufacturers. Operating companies buy bil-lions of dollars worth of equipment every year, in the US the Bell companies alone spend some \$14bn annually, according to telecommunications analyst Mr Jack B. Grubman, at Paine Webber Inc in New

The emphasis today is not only on digital equipment, but digital equipment that either has or can be upgraded to handle ISDN, says Mr Ronald Weinbruch, a vice president for sales at Siemens' Public Switching Division in Boca Raton, Florida. "In the US, the need for ISDN is no longer debated," he says. "It is now the critical thing in selling switches." The American Telephone &

Telegraph Corp and Northern Telecom dominate the US market for central office switches, but Siemens has recently scored big with an order from Wisconsin Bell for its advanced digital switches, with ISDN capability. Four Bell holding companies have given Siemens approval to bid on contracts with the device. The extremely competitive US victim — ITT dropped out.

A separate lucrative equip-

ment market is taking shape at the user end. This is in the form of "smart" telephones and other desktop terminals that will function as user's access point to ISDN.
The CCITT, though, has not yet

Dale Electric of Great Britain Ltd.,

ploy to create their own de jacto standards. "They are

jacto standards. "They are irying to preempt what the standard will be," notes Mr Ross of A. D. Little.

Although each supplier is keen to differentiate its equipment, they are falling into line behind the CCTT's transmission standard. This calls for basic service consisting of three charmels, two for roice and data chamels, two for voice and data moving at 64,000 bits per second and one running at 16,000 bits per second to carry signalling information such as the destination of data on the An advantage of these speeds

is that they can be handled by most existing telephone lines,



including old copper local loops built for analog transmission. Some users will not need even that much capacity, but others—particularly businesse -want more. A second level of service, called primary, lifts capacity to 23 voice and data channels, and one signalling channel, all at 64,000 bits per

Even that is less than some business needs now command. The BP GROUPNET line runs at 2m bits per second. And that gives the company a view into the cradle of the second telecommunications coming: luxury of its own private video conferencing studio Next Friday's Technology Page will look at ISDN-like private networks.



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Terminal 4-

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So it's more important than ever to know which Terminal to report to.

And if it's Terminal 4, how to get there.

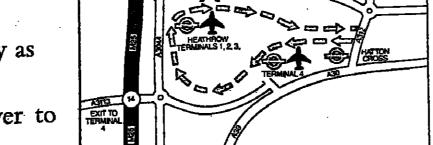
By car, that means following the special road signs on the motorways. By bus, it means getting off at the Terminal 4 stop. By tube, it means using the new Terminal 4 station between Hatton Cross and Heathrow Central.

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The battle for Wimbledon town centre

YESTERDAY week, March 27, sent local residents and has the London Borough of Merton expressed its concern about the gave planning permission to two Speyhawk schemes to develop the Wimbledon town hall site on Queens Road in the town

One retains the 1930s town hall building, the other does not Both retain a Victorian fire station recently listed by the Environment Department. The schemes will provide either 320,000, or 350,000 sq ft of shop-ping and Speyhawk will pay Merton either £12.75m or £19.9m for the privilege of building

Will provide? Not if Geoffrey Wilson, chairman and chief executive of the Greycoat Group, can prevent it. Greycoat founded its fame on such office developments as Cutlers Gardens, Finsbury Avenue and Victoria Plaza, but it extended its retail property and develop-ment interests last summer with the acquisition of Merevale Properties.

Rod Pearson Merevale's started pitching for Wimbledon's prime retailing in the summer of 1984 via a site on summer of 1984 via a site on Hartfield Road, also in the town centre. Its latest planning application, lodged jointly with major landowner the UK Provident Institution, visualised 200,000 sq ft of shopping although this would partly applied to the state of the shopping although the same partly applied to the state of the shopping although the same partly applied to the state of the same partly applied to the same partly ap replace existing retailing units. This latter scheme found

loss of buildings such as a civic hall, a Baptist Church and a magistrates court on the town hall site.

However it has clearly not suited Merton council. Leader of the council Harry Cowd is quoted in support of the Speyhawk scheme, saying that a "vast majority" of the borough has indicated that it wants this solution for the central area. And that ought to be that. The council elections come along next month and, in the normal way of things, the new council would choose one of the Speyhawk schemes selected eight days ago, and proceed with it. But Mr Wilson is not beaten. However it has clearly not

Conservation

"Clearly Merton Council, in its present form, is wedded to the Speyhawk scheme," he said yesterday. "Therefore it seems to me that if Greycoat's very different planning approach, which is comprehensive and

putting out a broadsheet for Wimbledon consumption which will cover the plans for Hartis latter scheme found will cover the plans for Hartis with the Wimbledon field Road, produce a conservation-based plan for the town hall site and put some ideas forward

station. The broadsheet will counter a similar missive to residents

from Speyhawk, which asked supporters to write to Speyhawk chairman Trevor Osborne; Wilson asks his audience to write to Mr Kenneth Baker, En-

write to Mr Kenneth Baker, Environment Secretary, and call for that public inquiry.

All this fuss and flurry will probably draw a wry grin from Michael Harris, deputy senior partner of Strutt & Parker. Mr Harris, known for his orchestration of Hammersmith's central office development over the office development over the years, is on retail ground here

years, is on retail ground here as adviser both to Merton Council and to Speyhawk.

He recalls that, in 1965 ("when I was an assistant") British Rail put together a consortium of top property operators to redevelop its stations. "They picked on Wimbledon, among others: this was the third among others: this was the third scheme the council had seen by then," he says,
"Wimbledon is a super place,"

which is comprehensive and conservation minded, is to be properly aired, it is only a call in of all the schemes by the Secretary of State and its attendant local enquiry that will achieve this; and I hope that this is what happens."

His thinking is not just wishful. Greycoat, next week, will be putting out a broadsheet for S&P owes its main allegi-

S&P owes its main allegiance to Merton, having been appointed by the council three years ago on a brief which directed it, first, to advise on

secondly, to go ahead and There are four main sites in

the central area: The Wimbledon Bridge site;
 The town hall site; Hartfield Road; and, potentially,

Wimbledon railway station,

still waiting for treatment.
The Wimbledon bridge site, on St George's Road, takes in one completed development, and one in the planning stages. "Laings worked for 20 years on the St George's Road site, finally dropped out and sold it to Commercial Union who developed it as 120,000 sq ft of offices, eight storeys with a strip of shops at ground level," says

Harris. However, we decided that the town needs big new retail traders; it hasn't got any big names apart from Woolworth, and Elys the family department store: people had to go to Wandsworth, Putney or King-ston for that sort of shopping,"

Bridge site

S & P persuaded Marks and Spencer to take 70,000 sq ft, two years ago, on the Wimble-don Bridge site which it saw as phase 1 of the town's regeneration. Speyhawk came in as developers of 90,000 sq ft of retailing on the site and another will happen, when the town is 150,000 sq ft of offices, against competition from other major developers, against success."

Then the Greater London Council objected to the scheme. After it had been delayed for 1½ years, says Harris, M and S changed its mind about the main thrust of its future expansion and out of town sites with known as the Mars I site, ten plants of ground level parking the state of ground level parking the state of the town as the Mars I site, ten plants of ground level parking the state of the town. plenty of ground level parking were now in the limelight. M and S came out, and the shopping content was redesigned to 45.000 sq ft for occupiers in the class of W. H. Smith, Boots or Habitat/Mother-care.

Trevor Osborne, chairman and joint managing director of Speyhawk, says his company was "required" to put forward plans for the major town hall retailing site as a part of its agreement to develop Wimble-

don Bridge. Harris says that the original M and S involvement depended, not just on the Wimbledon Bridge development, but on a major regeneration of the town

things done at last, get some It is only recently, the coungrit or commitment into the regeneration process.

It is only recently, the coungrit or commitment into the regeneration process.

It is only recently, the coungrit or commitment into the regeneration process.

ful scheme in south-west Lon-don," says Harris. "Greycoat's will happen, when the town is

Watford strikes back

The new centre will be inte-grated with the existing Charter Place Shopping Centre said John Abel, a director of Capco, this week. It will include the relocation and expansion of the John Lewis Partnership branch, Trewins, and extensions to the existing Marks and Spencer and

existing Marks and Spencer and British Home Stores.

Mr Abel estimates that the net increase in town centre shopping space will be about 270,000 sq ft. The £85m cost of the development will be met by Sun Alliance and Capco, but further expenditure by the occupants of the properties will raise pants of the properties will raise the total to well in excess of

requisite for any of the developers who were interested in phase 1.

The council, they say, took of the view that by fixing on one developer, they would get things done at last, get some grit or commitment into the silver in the same silver

"The retailers say that this from investors to put the de-is going to be the most success- velopment in hand." According to retail gossip, the money arrived just in time.

John Lewis, says the trade, had been looking at Welwyn Garden

City on the A1(M), not far

City freeholds on the move again

AFTER A quiet winter, the City of London freehold office market is ticking over again. Smith Melzack and Jones Lang Wootton started the process last week with the £11½m sale of 35-39 Moorgate to effort of Errect Overs and elients of Ernest Owers and Williams, said to be Bristol and West.

The deal represented a rent of £40 a sq ft on the 12,500 sq ft of offices (located less than 200 yards from the Bank of England) and a yield of

4 per cent.

Meanwhile. Speyhawk popped up again this week, in interlinked City freehold deals worth over \$30m.

With its joint vesture partners, the Johnston Group of Redhill, Surrey, Speyhawk has been developing 40,000 so it of net office space in two buildings at 71-77 Leadenhall Street and 32-40 Mitre Street, EC3, to a design by architects the GMW partnership.

Swiss Re (UK) is paying around £20m for the development and selling its 22,000 sq. ft at 108-108a Cannon Street to Speyhawk for "close to" £11m.

Finally, on the fringes, Pritchard Services group has sold its two adjoining build-ings at 34-44 Clifton Street and 56-58 Worship Street, just to the north-west of Finsbury Square, to quantity surveyors Axtell Yates Hallett. Healey and Baker acted for

Pritchard which is moving to a new purpose-built head-quarters at Millharbour in Isle of Dogs Enterprise Zone. AYH were represented by Grimley and Son and the purchase price for the buildings, aggregating 19,400 sq ft, was in excess of £2m.

The Canary Wharf consortium expects to break ground this summer for its planned 10m sq. ft office development on the Isle of Dogs in London's Docklands. Joe Willing, vice president of Morgan Stanley International, a consortium member, said so a consortium member, said so this week as he re-stated his bank's commitment to the scheme as investor

occupier. This follows Midland Bank's This follows Midland Bank's declared interest in the development. Another consortium partner, firedit Sulsse First Boston, is taking temporary space in Oxford Street which it says is an earnest of its intention to wait for permanent premises Canary Wharf.

• Hillier Parker's latest survey of industrial voids among institutions and pension fund owned industrial property shows a void rate of 2 per cent measured as a proportion of portfolio value.

The firm also said this week that Mesors. B. de Saulles and MJE Marshall have accepted an invitation to join the

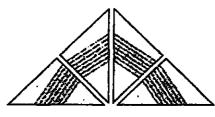
QUALITY AND ENVIRONMENT

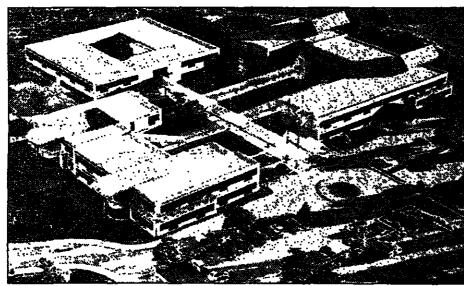
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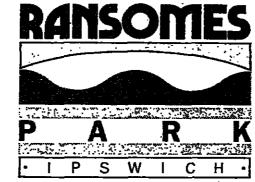
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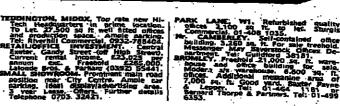
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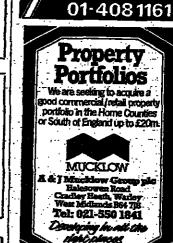


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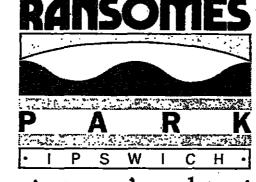
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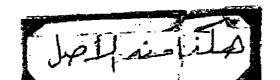
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Notice of Meeting

Messan, Shareholders are hereby convened to attend the Annual General Mosting which will be held at the olivers of Kredetbank S.A. Lusembourgroise, 43, Boulevard Roysal, Luxembourg. on April 15th, 1986 at 3,00 P.M. with the following agenda:

Agenda Presentation of the reports of the Board of Directors and of the

Presentation of the reports of the board of Directors and of the Statutory Auditor.

Approval of the balance sheet, profit and loss accrual as at December 31st, 1985 and the allocation of net profits.

Declaration of a dividend.

Approval of the remainstration of Directors.

Discharge of the Directors and the Statutory Auditor for the fiscal period ended December 31st, 1985.

Action on nomination for election of Directors and a Statutory Auditor for the ensuing year.

Any other business which may be properly brought before the

meeting.

Shareholders are advised that there is no quorum requirement for all the items of the agenda and the resolutions thereon will be passed at the simple majority of the shares present or represented at the Meeting, subject to the restriction that no Shareholder either by himself or by preny can one for a number of shares in excess of 1.5 of the shares assued or 2.5 of the shares present or represented at the Meeting.

Holders of bearer shares may one at the meeting in person by producing at the meeting either share restricted so a certificate of deposit which will be issued to them against deposit of their share certificates with Kredierbank S.A. Luxembourgeoise, 43, boulevard Royal, Immenbourge.

in order to be valid all forms of proxy must reach the registered to the company at least one day before the date of the meeting.

By order of the Board of Directors

Antoine Rousseau
Administrative Manager

Notice of Redemption

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EUA 25,000,000.- 91/2% 1975-1987

Holders of the above mentioned issue are hereby informed that following early redemption of EUA 526,000.- effected on May 5th, 1979, the amortization quots of May 5th, 1986 has been fixed at EUA 4,387,000.-The Bonds to be repaid have been drawn by lot on March 19^m , 1986 in the presence of a notary public and bear the following numbers:

12427 - 14103 and 20530 - 23239, these numbers inclusive

These bonds will be redeemable at par on and after 5th May, 1986 with all unmatured coupons attached thereto. The principal amount of bonds outstanding after the amortization of 5th May,

Finally it is recalled that the following bonds which have been drawn by lot in 1978, 1980, 1981, 1982, 1983, 1984 and 1985 have not yet been presented

for payment:
16611-16612; 7085-7094; 2545-2546; 9036; 10160-10164; 10269; 1061410616; 14370-14372; 14617; 14893-14896; 18302; 18479; 6579-6580;
6793-6795; 6806-6811; 8902-8905; 10947; 10957; 10964-10965; 10995;
11033; 11072; 11401; 11445-11446; 11453-11454; 11594-11595; 11500;
11629-11650; 11751-11796; 11847-11648; 11892; 11898-11900; 12151;
12203-12208; 12401-12405; 18580; 18593-18807; 18616-18639; 1875118752; 18811-18814; 18819; 18821-18823; 18879-18881; 18929-18931;
18964-18970; 18988-18999; 18921-71904; 19044-19045; 19071; 1926619288; 19293-19285; 19352-19371; 19407-19416; 19419; 19421; 1945119452; 19502; 19587-19595; 19640-19642; 19349; 19714-19716; 1972119722; 197754-19765; 19788-19790; 19795-19800; 19902; 19840-19944;
19351-19957; 19963-19980; 19988-19990; 19902; 19840-19944;
19351-19957; 19353-19980; 19988-19990; 19902; 19840-19944;
19351-20257; 20335; 20048-20147; 20185-20188; 20198-20202;
20251-20257; 20261-20262; 20273-20276; 20284-20286; 20339-20340;
20486; 20495-20499; 20503-20508.



Luxembourg, April 4, 1986

CARREFOUR GROUP

RESULTS FOR 1985 (in millions of French Francs)

| | Sales | 1 98 5 44 (69 | 1 984 39 306 | 1965/1984 +12.4% |
|---|---|---|---------------------------------------|---------------------------------------|
| | Income before extraordinary items Extraordinary items | 520 | 42B 58 | +21.5% |
| ١ | Net income | 520 | 486 | + 7.0% |
| | Primary earnings before extra- ordinary items per share (in francs) Fully diluted earnings before extra- | 170.38 | 144.72 | +17.7% |
| Į | ordinary items per share (in francs) | 164.39 | 138.24 | +18.9% |
| | The Board of Directors will propos General Meeting on April 29 1984 share (+13.8%). As a result of the conversion of bonds the overall A 4-for-3 stock split will be implen | s a divide e new ska listribution | end of 70 eres issued increases | Francs per in 1985 on by 17.5%. |



Floating Rate Notes 1989 NOTICE IS HEREBY GIVEN that a drawing of Notes due for redemption on 30th May 1986 will take place on 16th April 1986. The prefix and note numbers drawn will be published at a subsequent date. Barclays Bank PLC, 54 Lombard Street, London EC3P 3AH.
Fiscal Agent.

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Resistered Officer
de Napies, helicshercial Resister of I
No. 270194 NOTICE OF ORDINARY GENERAL NOTICE IS HERESY GIVEN that the ORDINARY GENERAL MEETING OF SHAREHOLDESS will be held at the Option of the company or Thorsay. 24th April 1565, at 2.30 gm to consider the following Agendand of the Soard of Directors and of the Auditors on the company's activities during the financial year 1985.

Ealance Sincet and Profit and Loss. Account for the financial year 1985 and Appropriation of Profit.

3. Discharge to be given to the Directors and Appropriation of Profit.

and the state of t

A Bishopstate London EC2N 4AD

London Loanon the Middle Bank PLC Middle Bank PLC International Division PO Box 181, 110-114 Cannon Street London FC2N SAA OR THE SOARD BY ORDER OR THE SOARD

IMETAL S.A. (formerly LE NICKEL) 9% 1971-1986 \$U520,000,000 Final Redemption

The Holders of above mentioned Bonds are herewith informed that the amount remaining outstanding after May 15, 1985 is redeemable at par on or after May 15, 1986. Bonds should be presented for payment at the offices of the paying agents set forth in the prospectus and the conditions of the Bonds. Finally it is recoiled that the following bond numbers which have been drawn by lot in previous years have not yet been presented for psyment:

BANQUE INTERNATIONALE A LUXEMBOURG Societé Anonyme Fiscal Agent

Luxembourg, April 4, 1966

14891-14898; 14900; 15035; 15102-15107; 15239-15300; 15478-15485; 16098-16127; 18376-18385; 18417; 16436; 18507; 18666; 18689-18670

not as their proxy to attend and vote in their stead.

It is requested that forms appointing proxing be lodged with the Liquidator of Holdings at 8 St. Bride Street. Loadon ECAA 4DA not less than 48 hours before this time appointed for the said Meeting but if forms are not so lodged they may be handed to the Chairman at the Meeting at which they are to be used.

By the said Order al the Court has appointed PETER WILLIAM GROSTETE DUBUISSON or Talking him JOHN ALLAN WILSON to act as Chairman of each of the said Meetings and has directed the Chairman to report the results thereof to the Court.

The seid Scheme of Arrangement will be subject to the subsequent approval of the Court.

Dated this 4th day of Anrin, 1988.

WATEPHIOLISE & CO., 4 St. Paul's Churchyard.

London ECAM 8EA., Solicitors for the Liquidator.

QUANTUS FUND Societe d'Investissement a Capital Variable 10a, Boulevard Royal

The number of shares deposited in respect of the Extraordinary General Sections of Shareholders of Fritary, II in Aurulance and the Extraordinary General Sections of Shareholders of Fritary, II in Aurulance and Shareholders of Fritary, II in Aurulance and the General Section of Shareholders of Shareho

to:
—consider the withdrawal of the func-tions of ordinary commissioners;
—consider the withdrawal of the suarantes to administrators and com-

tacsumer;
—outhorise administrators to represent
two of their collegues;
—re-define how one or several reviser

and:—
Deadon at the
Benque Beige Limited
4 Bishopsgate
London ECZM 4AD Indiana Bank PLC
International Division
PO Bort 157
110-114 Cannon Street
London ECAM GAB.
BY ORDER OF THE BOARD

COMPAGNIE FINANCIERE DE CREDIT INDUSTRIEL ET COMMERCIAL Societé Anonyme Capital: French francs 1,750.000,000 Head Office: 66, rue de la Victoire, Paris 9ème FRANCE

Notice to the holders of sating Rate Notes due 1997 of USSEO,000 each The ordinary general meeting of the notsholders held on March 20, 1986 appointed as representatives of the

Commercial Register: Paris B 542.016,381

M. Pierra Paul CASABIANCA 23, avenue Jeanne d'Arc 92160 ANTONY — FRANCE M. Pierre GUYONVARCH 19. boulevard Pereire 75017 PARIS — FRANCE

No. 00896 of 1978 IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION

IN THE MATTER OF LONDON SCHOOL OF ACCOUNTANCY (MOLDINGS) LIMITED AND IN THE MATTER OF THE COMPANIES ACT, 1948

NOTICE IS HEREBY GIVEN that by an Order dated the 17th day of March, 1986 made in the above marters the Court has directed separate Meetings to be convened of (i) the preferential creditors (ii) the unsecured creditors

court has unfocted separate Meetings to be convened of (i) the preferented creditors (ii) the unsecured creditors and (iii) the Members respectively of the above-named London School of Accountancy (Holdings) Limited (hereinatter called "Holdings") for the purpose of considering and, if thought fit approving (with or without modification) a Scheme at Arrangament proposed to be made between each of The London School of Accountancy Limited (hereinafter called "LSA") and Holdings and their respective creditors and Members and that such Meetings will be held at 8 St. Bride Street, London ECAA 4DA on Tuesday the 29th day of April 1986 at the respective times below mentioned parently.

the Eith day of April 1986 at the respective lines below mentioned namely:

(1) the Meeting of the preferential creditors of Holdings will be held at 10.15 o'clock in the forencen or so soon thereafter as the preceding Meeting of the preferential creditors of LSA convened for the same place and day shall have been concluded or adjourned (2) the Meeting of the unsecured creditors of Holdings at 2.00 o'clock in the stremoon or so soon thereafter as the preceding Meeting of the unsecured creditors of LSA convened for the seme place and day shall have been concluded or adjourned and (3) the Meeting of the Members of Holdings at 4.30 o'clock in the altentoon or so soon thereafter as the preceding Meeting of the Members of Holdings at 4.30 o'clock in the altentoon or so soon thereafter as the preceding Meeting of the Members of LSA convened for the same place and day shall have been concluded or adjourned at which place and respective times all the aforesaid creditors and Members of Holdings are requested to attend. Any person entitled to attend the said Meetings are requested to attend. Any person entitled to attend the self Schams of Arrangement, forms of proxy and copies of the Statement required to be furnished pureuant to Section 428 of the Companies Act. 1985 at the registered office of Holdings situate at 8 st. Bride Street, Landon ECAA 40A, and at the affice of the undermentioned Solicitors at the address mentioned below during usual business hours on any day (other than Saturday, Sunday or public holiday) prior to the day appointed for the said creditors and Members of Meetings.

prior to the day appointed for the said Meenings.

The said creditors and Members of Holdings may vote in person at such of the said Meetings as they are entitled to attend or they may appoint another person whether a treditor or a Member of Holdings or not as their proxy to attend and vote in their stead,

It is resuccessed that forms appointing

Legal Notices

16a, Boulevard Royal
Lincethbourg
NOTICE TO SHAREHOLDERS
NOTICE OF MEETING
NOTICE IS HEREBY GIVEN that the
First Annual General Meeting of
Quantue Fund will be held at the
registered office on Luxembourg. 10a
Bouleverd Royal, on Thuraday, 17th
April, 1966 at 11 a.m. for the
purpose of considering the following agends:
(1) To receive and adopt the management report of the directors
for the year to 3fet December,
1985.
(2) To receive and adopt the report

To receive and adopt the report

(2) To receive and adopt the report of the statutory auditor for the year to 31st December, 1985.

(3) To receive and adopt the annual accounts as at 31st December, 1985.

(4) To grant discharge to the directors and the statutory auditor in respect of the execution of their mandates to 31st December, 1985.

(5) To receive and act on the statutory mannation for cleations of directors and the statutory auditor for a new statutory auditor for a new factor of directors and the statutory auditor for a new factor of the statutory of those present or represented.

The statutors were the statutory are record at that the statutory are record at that Mr Peter Chariton and Mr Chris Wyman. Mr Alan Smith has been appointed managing director of VICTORIA WINE. The move follows the £2.5m acquisition of the Haddows chain of 146 Sis.2s and the transfer of Victoria Wine from the wines and spirits division of Allied-Lyons to the beer division. Mr Smith was a director of International Marketing and Promotions. He is well-known within the Allied-Lyons group having been marketing director of Ind Coope prior to taking up his present appointment of the coope of the c

represented. The shareholders on record at that date of the meeting are entitled to vote or give process. Process should arrive at the registered office of the company not later than twenty-laur bours before the meeting. ment some 15 months ago. Jour sours before the macung.

By Order of the Board of Directors

J. PIERSON

General Secretary

DOME PETROLEUM LIMITED \$ US 50,000,000 FLOATING RATE **NOTES DUE 1989**

For the six months, March 24, 1986 to September 23, 1986, the rate of interest has been fixed at 7 3/4 % P.A.

The interest due on September 24, 1986 agains coupon or 9 will be seen computed on the actual number of days elapsed (184) divided by 360.

THE PRINCIPAL PAYING AGENT SOCIETE GENERALE ALSACIENNE **DE BANQUE** 15, Avenue Emile Reuter LUXEMBOURG

USD 300,000,000 CAISSE NATIONALE DES **TELECOMMUNICATIONS** Floating Rate Notes due 2000

Notice is hereby given that the next interest period chosen by Caisse Nationale des Telecommunications is three months, beginning April 14th 1986. The Fiscal Agent Banque Nationale de Paris (Luxembourg) S.A.

No. 00897 of 1978
IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION

IN THE MATTER OF LONDON SCHOOL OF ACCOUNTANCY LIMITED AND IN THE MATTER OF THE COMPANIES ACT, 1948

NOTICE IS HEREBY GIVEN that by an Order dated the 17th day of March, 1985 made in the above matters the Court has directed separate Meetings to be convened of (i) the preferential

to be convened of (i) the preferential creditors (ii) the unsecured creditors and (iii) the Members respectively of the above-named The London School of Accountancy Limited (hereinalter called "LSA") for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement proposed to be made between each of LSA and London School of Accountancy (Holdings) Limited (hereinalter called "Holdings") and their respective creditors and Members and that such Meetings will be held at 8 St. Bride Street, London ECAA 4DA on Tussday the 29th day of April 1996 at the respective times below memboned, namely:

(1) the Meeting of the preferential

tive bries below mentioned, namely:

(1) the Meeting of the preferential creditors of LSA at 9.00 o'clock in the forencen (2) the Meeting of the unsecured creditors of LSA at 11.30 o'clock in the forencen or to soon thereafter at the preceding Meeting of the preferential creditors of Holdings convened for the same place and day shall have been concluded or adjourned and (3) the Meeting of the Members of LSA at 3.15 o'clock in the afternoon or so soon thereafter as the preceding Meeting of the unsecured creditors of Holdings convened for the same place and day shall have been concluded or adjourned at which place and respective times all the aforesaid creditors and Members of LSA are requested to attend.

Any person entitled to attend the

requested to attend.

Any person antitled to attend the said Meetings can obtain copies of the said Scheme of Arrangement, forms of proxy and copies of the Setsement required to be furnished pursuant to Section 425 of the Companies Act, 1985 at the registered office of LSA situate at 8 St. Bride Street, London ECAA 4DA, and at the office of the undermentioned Solicitors at the address mentioned Solicitors at the saids mentioned below during usual business hours on any day (other than Saturday, Sunray or public holiday) prior to the day appointed for the said Meetings.

The said creditors and Membere

It is requested that forms appointing aroxies be lodged with the Liquidator of LSA at 8 St. Bride Street, London ECAA 4DA not less than 48 hours before the time appointed for the said Mostings but if forms are not so lodged they may be handed to the Chairman at the Meeting 21 which they are to be used.

By the said Order of the Court has appointed PETER WILLIAM GROSTETE DUBLISSON or failing him JOHN AJAN WILSON to not as Chelman of each of the said Meetings and has directed the Chairman to report the results thereof to the Court.

The said Scheme of Arrangement will be subject to the subsequent approval the Court.

Dated this 4th day of April, 1986.

WATERHOUST & CO., 4 St. Paul's Courchyard, London EC4M 8BA.

Solicators for the Liquidator.

Mr Lewis McGill has been appointed senior general director; Mr Tony Palframan to manager, international banking, at THE ROYAL BANK OF SCOTLAND. He will succeed Mr George Pollard as assistant thing received was a senior into Mr Ken Wong and Mr Langhal appoint was a senior into Mr Ken Wong and Mr Langhal appoint was a senior into Mr Ken Wong and Mr Langhal appoint was a senior into the senior was a senior w tion; Mr Ken Wong and Mr lan Macfarlane to divisional directors. chief general manager, inter-national banking, when Mr Pollard retires on September 30. Mr McGill was general manager,

APPOINTMENTS

strategic planning.

International company.

tive director.

COWARD CHANCE is taking

Royal Bank senior post

Mr Nieholas Chamberlen has been elected chairman of the LONDON DISCOUNT MARKET ASSOCIATION, in succession to Mr Roger Gibbs. Mr James Barclay is the new deputy

into partnership on May 1 Mr Tom Hawes, Miss Anne William-son, Mrs Kate Howles, Mr Maurice Allen, Mr Habib Motani, chairman.

Mr Chamberlen is chairman
of Clive Discount and Mr
Barclay is chairman of Cater

> Mr Ted Weston has retired as a non-executive director of BET, the international services company. He was appointed to the BET board after the acquisi-tion of Initial last year.

Mr Gerald Rothman has been appointed a director of BRITISH LAND COMPANY. Mr Rothman, who will initially be based in New York, will also become president and chief executive officer of British Land of America based in the company's office in New York.

Mr Allan Taylor has been Mr James White has been appointed a non-executive director of REDLAND. He is managing director of Bunzl and a director of Lucas Industries and appointed commercial director of MIDLAND BRIGHT GROUP, and will continue as company secre-Mr D. J. Cooksey has been appointed managing director of REED PLASTIC PACKAGING having previously been manager of the extruded products unit at Telcon Plastics, another Reed International company. United Parcels.

THERMAL SCIENTIFIC has appointed Mr Stephen Lawes as group company secretary from June 1. He is finance director of the group's instrument subsidiary, Stanton Redcroft, and has been employed by Thermal Scientific. Mr David Huntley, the present company secretary and group financial controller. Mr W. A. Spartin has been appointed chairman of MSL Scientific. Mr David Huntley. EXECUTIVE SEARCH. Mr T. R. H. Neame has become and group financial controller, managing director. Mr B. J. will in future devote his full Curnow, Mr L. C. Koppen and Mr J. O. Ranger have been appointed directors.

Mr Jason Hubbard has been financial controller.

Mr Douglas Atherley, Mr Richard Coons, Mr Donglas Hanney and Mr Trevor Silwerski director. He will be succeeded as general manager. UK marketing the point of BARING FAR EAST SECURITIES. Joining as assistant directors are Dr Christopher Dern rott and Mr Nigel Radley. Mr Miles J. Rivett-Carac, a managing director of Caranac, a managing director.

WARMEN INTERNATIONAL has appointed Mr H. N. (Nick) Hargreaves as managing director. He succeeds Mr Paul F. Morgan who remains a director until he retires early in 1987. Warman International is a wholly-owned subsidiary of the Australian Group Peko-Wallsend. Rivett-Carnac, a managing direc-tor of Baring Brothers & Co, has joined the board as a non-execu-BLICK INTERNATIONAL.
parent company in the Blick
International Group, has
appointed Mr Colin D. Macinnes
as director of Blick International

as director of Blick International and Blick International Systems.
and company secretary of all group companies. He has taken appointed to the board of over the duties of Mr J. P. LONDON & EDINBURGH TRUST. Mr Gunn, an executive the time being as a director with a view to retiring before the end of the financial year. Mr serve as a non-executive director of Logport International. director of The British & Commonwealth Shipping Co. will serve as a non-executive director and Mr Rawlings, chairman of LET's insurance broking subsidiary Burlington Insurance Services Ltd. as an executive BIS APPLIED SYSTEMS has Services Ltd, as an executive made the following promotions: director.

of Logport International.

The board of directors of Scoa SA met on March 18, 1986, to approve the company and group consolidated accounts for the year ending December 31 1985, prior to the accounts being submitted to the annual shareholders meeting on May 13 next. Consolidated turnover in 1985 was 9.1 billion francs and consolidated net income 72 million francs, with the group's share representing 51 million francs after deducting minority

The table below gives the main figures in relation with the group's performance over the past two financial years.
12 months from 15 months from
1.01.85 to 31.12.85 1.10.83 to 31.12.85

9 133 mf 72 mf 10 165 mf Consolidated turnover Consolidated net income (Group's share) 51 mf 31 mf

The accounts of the parent company, Scoa S.A., show a profit of 35 million francs although this figure is not comparable with the income figure for the previous financial year, 1983/84, because that year was 15 months long and also because of the accounting on an equity basis of the portfolio assets in line with the law of January 3, 1985, and

portiono assets in line with the law of January 3, 1985, and decree of February 17, 1986. The group achieved this level of income despite economic difficulties in Africa, lower exports to Nigeria and the fall in the value of the naira. Improved management performance led to better results in leading sectors such as automobile distribution, retail store chains and exports of pharmaceuticals.

In addition, extensions have taken place, mainly in France in the field of automobile distribution and services. In line with plans to expand the group, Scoa mounted a major financing operation last June, combining an increase in the company's share capital and a convertible bond issue with stock purchase warrants. This operation enabled Scoa to strengthen its financial structure and extend its activities

to new markets. The upheaval in the oil market is deeply changing the economic prospects for 1986 of the economies of the African countries whose main resource is oil. As far as Scoa group is concerned, and despite this new uncertainty, continued emphasis on the strategy of bringing business activities into line with markets potential, and the policy of setting aside general provisions for contingencies, should help to stabilise the situation.

The board also accepted the resignation of Mr Alain de Wulf as his recent appointment in the Inspection Generale des Finances prevents him from staving on as director and deputy chairman of Scoa. It was decided to appoint him honorary deputy chairman of the company. To replace him as a director, the board co-opted Mr Philippe Dulac, deputy general manager of the Paribas Bank.

PORTSMOUTH **BUILDING SOCIETY**

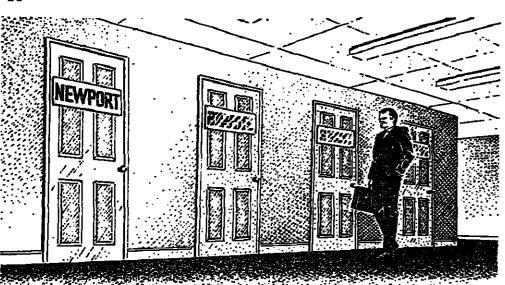
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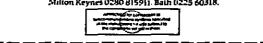
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THE ARTS



Music

LONDON

Royal Philharmonic Orchestra conducted by Antal Dorati with Radu Lupu, piano. Beethoven. Royal Festival Hall (Mon). (828 3191)
Philharmonia Orchestra conducted by Riccardo Muti with Itzhak Perlman, violin. Tschaikovsky and Scriabin. Royal Festival Hall (Tue.)
City of London Sinfonia conducted by Yan Pascal Tortelier with Yuzuko Horigome, violin. Ravel, Mozart. Hoddinot and Beethoven. Barbican Hall (Tue). (638 8891)

Hall (Tue). (6388891)

Antal Dorati 80th birthday concert in the presence of Princess Anne. Roy-al Philharmonic Orchestra and righton Festival Chorus condi by Antal Dorati. Beethoven. Royal

Festival Hall (Wed).
London Philharmonic Orchestra conducted by Jesús López-Cobos with Jonathan Snowden, flute and David Watkins, harp. Ravel, Mozart and Rimsky-Korsakov, Royal Festival

Hall (Thur).

Royal Philharmonic Orchestra conducted by Jose Serebrier with Carlos Bonell, guitar and Alberto Por-Netherlands Philharmonic conductions.

NETHERLANDS

Amsterdam, Concertgebouw. The Netherlands Philharmonic conductions. tugheis, piano. Spanish programme. Barbican hall (Thur).

Felicity Lott recital (Mon), Theatre de Beethoven, Gounod, wind instru-ments (Tue 8.15 pm). Salle Chopin-Pleyel (45619607)

bero Ipueyo, piano: Mozart, Schu-bert, Schumann (Tue 6.30 pm).

Opera and Ballet

Prokofiev's War and Peace produced by the National Opera from Sofia, Theatre Des Champs Elysées

(47234771).

La Traviata alternates with Soirée Maurice Bejart at the Paris Opera Ravel's L'Heure Espagnole, a one-act musical comedy full of Spanish rhythm, is completed by Puccin's Gianni Schirchi, a one-act green full

Gianni Schicchi, a one-act opera full of verve and humour. Opera Com-

ique (42960611) ankai Juku, choreographed by Ushio Amagatsu, creates a shock with of-

ten disturbing and cruel images of the Buto dance. Théâtre de la Ville

Cirque Royale: The Merry Widow con-

ducted by Christoph von Dohnanyi with Anje Silja, soprano. (2182015)

LONDON

Royal Opera, Covent Garden: Rossini's Semiramide, in a concert perfor-mance conducted by Henry Lewis,

joins the heavily criticised but potentially rewarding Fliegende Holländer and the solid looking re-

vival of Arabella in the repertory.

Reginald Goodall's last performances of Parsifal in this run,

otherwise an evening of dramatic disappointments. The Merry Widow

continues to draw the crowds, now in a revised staging by Ian Judge, while there is a return of Elijah

Moshinsky's exuberant Bartered Bride. (8363161)

WEST GERMANY

Berlin, Deutsche Oper: Katja Kabano-

wa has Karen Arnistrong in the title role. Bernd Alois Zimmermann's Die Soldaten, produced by Hans Neuenfels, returns. Don Giovanni

(23 0200).

La Cage aux Folles (Palace): With some tuneful Jerry Herman songs, Harvey Fierstein's adaptation of the

French film manages, barely, to cap-ture the feel of the sweet and hilar-

ious original between high-kicking

I'm Not Rappaport (Booth): In moving to Broadway, Herb Gardner's touch

ing, funny and invigorating play about two oldsters retains its stars, Judd Hirsch and Cleavon Little, who

almost conquer the world when they think they are just bickering with each other. (239 6200).

each other. (2396200).

Big River (O'Neill): Roger Miller's music rescues this sedentary version of Huck Finn's adventures down the Mississippi, which walked off with many 1985 Tony awards almost by default. (2460220).

CHICAGO

Happy Days (Goodman): The Good-man company celebrates Samuel Beckett's 80th birthday with the

Theatre

Théâtre des Champs Elysèes

ream conducted by Pierre Boulez
Around Schoenberg, in connection
with the Vienna Exhibition (Wed).
Centre Georges Pumpidon, Grande
Salle. (4277 1233)
Inchestre de Paris conducted by Carlo
Maria Giulini, Barbara Hendricks,
Soprano, Hakan Hagegard, Baritone, The Paris Orchestra Choir
conducted by Arthur Oldham: Schubert, Fauré (Wed, Thur) Salle Pleyel
(4551 9807) (4561 9607) Nouvel Orche

el Orchestre Philharmonique ducted by Eliahu, Inbal, Rafael Orozco, Piano: Rachmaninov, Mah-ler (Thur), Radio France, Grand Aurium (4524 1518)

ITALY

Rome: Theatro Olimpico (Piazza Gen-tile da Fabriano): The Age of Rossi-ni: Music by Rossini and other Italian composers of the early 19th cen-tury sung by the young soprano Ce-cilia Gasdia (Wed). The orchestra is conducted by Franco Petracchi

(39 3304)
Bome: Auditorium via Della Conciliazione: Tchaikovsky and Stravinsky conducted by Yuri Temirkanov (Mon and Tue) (654 1044).
Milan: Teatro alla Scala: Narciso Yepez (guitar) and Nicanor Zabaleta (harp). Soler. Montsalvatge and Rodrigo (Mon). (80 9126).
Naples: Teatro di San Carlo: tenor Nicolai Gedda (Mon) (41 8266).
Florence: Teatro Comunale: Soprano Bemaia Scotth accommanded by

Renata Scotto accompanied by Leone Magiera. Handel, Verdi, List and Wolf-Ferrari. (Thur). (277 9236)

Netherlands Philharmonic conduct-ed by Ken-Ichiro Kobayashi, with Augustin Dumay, violin. Lalo, Ber-lioz (Tue). Riccardo Chailly conductwith Jorge Bolet, piano, and Jard van Ness, mezzo. Berio, Ranck, Rav-el (Wed, Thur). Recital Hall: Yo-Yo Ma, cello, and Patricia Zander, pia-

no (Thur). (718345). Utrecht, Vredenburg, Screening of Eisenstein's Battleship Potemkin, with Edmund Meisel's score performed by the Brabant Orchestra conducted

brings Cheryl Studer, Pilar Loren-gar, Barbara Vogel and Lenus Carl-son together. Macbeth has Thomas Fulton as guest conductor. amburg. Staatsoper: Zar und Zimmermann is a well done repertoire performance. Der fliegende performance. Der fliegende Holländer has Sophia Larson and Robert Halesleads. This week's highlight is Manon Lescaut starring Natalia Troitakaja and Franco

Frankfurt, Opera: Don Pasquale has fine interpretations by Barbara Bonney as Norina and Bodo Schwanbeck in the title role. Der Freischütz, offered for the last time this season, has Walter Raffeiner, Beatrice Nichoff, Barbara Bonney and Manfred Schenk. La Bohème with Yoko Watanabe and Giacom

with Yoko Watanabe and Giacomo Aragall is an event of more than passing interest.

Minchen, Bayerische Staatsoper: Manon, a Jean Pierre-Ponnelle production, is perfectly cast with Edita Guberova and Alberto Cupido. Fidelio features Sahine Hass, Julie Kaufmann, James King and Kurt Moll. Der fliegende Hollander has Robert Schunk in the title role beside Astrid Varnav and Lisbeth side Astrid Varnay and Lisbeth

NETHERLANDS

Amsterdam, Stadtsschouwburg. Nethtion of the CIVIL warS by Philip Glass and Robert Wilson, directed by Robert Wilson. The Netherlands Philharmonic under Lucas Vis. and the Netherlands Chamber Chair conducted by Siebe Riedstra.

Milano: Teatro Alla Scala: Slightly sleepy production of Bellin's La Sonnambula, conducted by Giananeni and directed by the film director. Ermanno Olmi. The rung American soprano June An-erson makes a successful Scala debut as Amina and Patricia Pace is a did Lisa. Susan Lake, directed

an-born director, Andrei Belgrader Ends May 11. (443 3800)

Cats (Winter Garden): Still a sellout, Trevor Num's production of T. S. Eliot's children's poetry set to tran-Lend Me A Tenor (Globe): Fresh and operatic farce by new author Ken Ludwig set in dy music is visually startling and choreographically feline, but classic only in the sense of a rather staid Cleveland, Ohio in 1934, Dennis ergetic company in mistaken iden tity romp, while Verdi's Otello car and overblown idea of theatricality. ries on regardless. (437 1592) lowan Atkinson (Shaftesbury): New revue starring rubber-limbed clown 2nd Street (Majestic): An immodest celebration of the heyday of Broad-

revue starring rubber-limbed clown with a strong line in scatological satire and rude sketches, many of them reflecting British classroom tyrannies. (379 5399)
Hithe Spirit Vaudeville): Excellent revival of Noël Coward's smart com-

celebration of the heyday of Broad-way in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropri-ately brash and leggy hoofing by a large chorus line. (977 9020). Brighton Beach Memoirs (46th St): The first instalment of Neil Simon's mix of memories and jokes focuses on a Depression-era Jewish house-hold where young Eusens falls and on a Depression-era Jewson noise-hold where young Eugene falls awk-wardly in love with his cousin. (2211211). A Chorus Line (Shubert): The longestfirst. Pinter's Old Times owes a lot to this play, well directed by Peter Farago, acted without undue Cow ardian reverence by Simon Cadell Joanna Lumley and the alabaster A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as audi-tions rather than emotions. (23 6200). beautiful Jane Asher. (836 9987) When We Are Married (Whitehall)

Matchless comic playing from an all star cast in Priestley's comic war house about silver wedding anni-versaries undermined by an inconvenient revelation. Bill Fraser is a drunken Falstaffian photographer and the couples are led by Timothy and the couples are led by Timothy
West and Prunella Scales. The 1930
theatre has been beautifully renovated. (936 7765).
Calie Puccini (Wyndham's): Puccini
compilation show by Robin Ray that
deterioates rapidly from a good idea
- writers singing hits back at the
maestro customer - to a routine potted biography with trying new lyrics.

maestro customer - to a routine potted biography with trying new lyrics
and uneven singing (838 3028)
The Scarlet Pimpernel (Her Majesty's) Donald Sinden in resplendent plummy-voiced form as Baroness Orczy's one-man resistance
movement to the French Revolution. Opera director Nicholas Hytner's efficient and sparkish production has smoke, tumbrils, rat stew
and rolling heads. (930 4025).

ner's efficient and sparkish produc-tion has smoke, tumbrils, rat stew and rolling heads. (930 4425). Interpreters (Queen's): Love among the diplomats, according to Ronald Harwood has a superb role for the matchless Maggie Smith renewing a cross-cultural affair with Edward Fox in the shadow of a summit be-tween The Soviet Union and Brit-ain. Fluent direction by Peter Yates of the West End's best new play of the year. (734 1186).

by Alian Feron (Mon). Three-piano recital by Louis van Dijk, Pim Ja-cobs and Daniel Wayenberg (Thur). Recital Hall: Yo-Yo Ma, cello, and Kathryn Scott, piano. Schumann. Crumb, Schubert, Brahms (Tue). Co-

lorado String Quartet, with Rain de Waal, piano. Haydn, Shostakovich, Brahms (Thur). (31 4544). lotterdam, De Doelen. Andrew Davis nducting the Rotterdam philhar onic, with Jo Hagen, flute, Haydo Devienne, Schumann (Tue to Thur)

Recital Hall: Beethoven concert by Glen Wilson, fortepiano, Wouter Möller, cello, Erik Hoeprich, clarinet (Mon). (142911).

New York Philharmonic (Avery Fisher Hall): Marilyn Schmiege mezzo-soprano, Radolph Firkusny piano, Warner Klemperer narrator, New York Choral Artists directed by Jo-seph Flummerfelt, Martinu, Novak, Dvorak (Tue); Christopher Hogwood conducting, Janne Baytresses conducting, Jeanne Baxtresser flute, Judith Leclair bassoon. All-Mozart programme (Thur). Lincoln Center (8742424). Naverly Consort (Alice Tully Hall): Michael Jaffee director. All-Josquin

NEW YORK

programme (Thur). Lincoln Center (362 1911) un Hall: Marc Laforet piano

recital with Jean-Jacques Kantorow violin. Beethoven, Debussy, Chopin (Tue). 1395 Lexington Av (831 8603) ferkin Hall (Goodman House): Adria Firestone, mezzo soprano recital Granados, Berber, Ravel, Menotti, Bernstein, Biscardi, Barab, Col-grass, Del'alla (Mon); Boston Came-rata Joel Cohen director. Spanish Renaissance programme (Tue); Yo-sef Yankelev violin recital with Dina Smirnov piano, Weinberg, Engel, I. Kremen (Wed): Concerts Plus. Sim-ca Heled artistic director. Harp pro-gramme (Thur). 67th w. of Broad-way (362 87 19)

WASHINGTON

ational Symphony (Concert Hall): Mstislav Rostropovich conducting. Tucker, Haydn, Bruckner (Tue) Mstislav Rostropovich conducting and cellist Hugh Wolff conducting All-Dutilleux programme in honous of the composer's 70th birthday (Thur). Kennedy Center (2543776)

Khalfouni and Jean Charles Gil. (809128). ome: Teatro dell'Opera: Herodiade by Jules Massenet conducted by Gianluigi Gelmetti and directed by Alberto Fassini with a cast which includes Agnes Baltsa, Montserrat Ca-balle, José Carreras and Juan Pons.

by Franco Zeffirelli, with choreogra-phy by Rosella Hightower. Michel Sasson conducts and the cast in-cludes Carla Fracci, Dominique

(48 17 55) reste: Teatro Comunale Giuseppe Verdi: Un Ballo in Maschera, direct-ed by Alberto Fassini with Adriana Morelli, Stella Silva and Carlo Cossutta (63 1948).

NEW YORK

Metropolitan Opera (Opera House): The week features the first seasonal erformance of Parsifal conducted James Levine with Leonie ysanek and Peter Hofmann, joining the repertory of Don Carlo with Mara Zampieri; Aida conducted by James Levine with Anna Tomowa-James Levine with Anna Tomowas-Sintow and Luciano Pavarotti; Sir Peter Hall's production of Carmen also conducted by James Levine with Maria Ewing in the title role, Catherine Malfitano as Micaela and Placido Domingo as Don José; and the last performance of the season of Der Rosenkavalier with Tatiana Troyanos. Lincoln Center (382 6000) Joffrey Ballet /(NY State Theater) The spring season includes two full-evening performances, Romeo and evening performances, Romeo and Juliet and The Taming of the Shrew, four one-act premieres and 14 repertory favorites including Of-fenbach in the Underworld, Forgot-ten Land, and Rodeo. Ends April 20.

WASHINGTON

American Ballet Theatre (Opera House): National tour includes from the company repertory Don Qui-xote, Romeo and Juliet, Giselle and The Nuturacker, Ends April 20. Kennedy Center (254 3770)

Exhibitions

Noh Costumes and Kyogen Masks: 20 beautiful costumes from the Edo pebeautiful costumes from the Edo period (17th-19th century) and Kyogen masks from original 14th century era of consolidation of Nok into its present form. Okura Museum in front of Hotel Okura. Ends Apr 20. Closed Mon.

NEW YORK

Metropolitan Museum: Liechtenstein, the Princely Collection, one of the greatest private collections in Exrope, shows a variety of the holdings, like a French Rocco carriage, firearms, sculpture and a hundred paintings, including 18 Rubeus, five Van Dycks, and eight Franceschinis. Ends May 1.

Museum of Modern Art in the centerary of his birth the museum mounts

ary of his birth, the museum mounts the largest show ever devoted to the the largest snow ever evolute to the architecture, design and furniture of Mies van der Rohe with 300 drawings, eight models and a full-scale rendering of the chrome-plated steel column from the 1929 Barcelona Exposition. Ends Apr 15.

WASHINGTON

National Gallery: The 150th anniver-sary of Winslow Homer's birth is commemorated in an exhibit of 100 watercolours of rustic scenes and rural life, which show Homer's experimentation in watercolours be-fore he attempted subjects in oils. West Building Ends May 11.

CHICAGO

Art Institute: The 75th American Exhibition chronicles the current scene in American art represented by 20 artists including Jennifer Bartlett, Roger Brown, Frank Stella and Ed Paschke. Ends April 27.

LONDON

The Tate Gallery: 40 Years of Modern Art is a huge, rambling and always fascinating display marking the retirement of Ronald Alley, Keeper of the Modern Collection for the last 20 years. He has chosen and arranged the show, drawing only on the Tate's stocks. Revival of critical interest in European work before 1960 has meant that the influence of the New York School is no longer the power it once seemed. The work now take its place with its international peers. The Tate stands among the best of modern collections, and this show makes clear its unique character of generosity and open-mindedness. Ends Apr 27.

tembrandi's engravings: Engravings from the Dutait collection represent Rembrandi's intimate world, his family, his friends, even shopkeep-ers and beggars. Every subject in-terests him, from biblical scenes to the most varied the most varied expressions of his own face, from a portrait of a philosopher to an image of a couple mak-ing love. He experiments endlessly with the technique of etching, with different types of paper until he achieves the same strength of artistic expression in engravings as he does in paintings. Petit Palais.
Closed Man, Ends April 20

(4265 1273).

lenna 1880-1938: Centre Pompidon stages one of its vast exhibitions where different disciplines combine to bring to life a moment of history. Turn of the century Vienna, melting pot of nationalities and races, is the atmosphere of a fin de regne is lit by an explosion of ideas and ar-tistic creativity with architects like Wagner, musicians like Mah-ler and Schoenberg, thinkers like Freud and painters like Klimt, Schiele, Kokschka and the Seces-sion Movement. Some 2000 exhibits bear witness to Vienna's con-tribution to modernity. Beaubourg-Centre Georges Pompidon. Closed Tue. Ends May 5. (4277 1233).

From Rembrandt to Vermeer. 50 chefs d'oeuvres on loan from the Maurits-huis trace a panorama of 17th-century Dutch painting with Vermeer's View of Delft with genre paintings, still lives and landscapes Grand Palsis. Ends June 20

Grand Palais. Ends June 34. (42615410).
Diego Giacometti: first exhibition showing the works of a sculptorcreator of furniture, mostly in bronze with animal ornamentation. Musée des Arts Decorates, 107 Rue de Pouris Ends Arts 12 (42613214).

WEST GERMANY

Hanover, Sprengel Museum Kurt Schwitters Platz: Kurt Schwitters (1887-1948). This comprehensive show, collected by the Museum of Modern Art, New York, includes as Modern Art, New York, includes as well works from his Hanover period (1923). There are 300 paintings drawings assemblages, collages and sculptures, Ends Apr 20.

uttgart, Staatsgalerie, Konrad-Adenauer-Str. 30-32: German Art of the 20th century. This is the exhibition as was shown at the Royal Academy in London last year. It is made up of 300 works from 1905-85 by 50 artists. Ends Apr 20. Isus-as by an artists. Lines for At-Lumburg, Muiseum für Kunst und Ge-werbe. Steintorplatz 1: Also to hon-our Kokoschka, this museum is showing his complete works for the theatre. The 230 items cover costimes and set designs. Ends Apr 27.
Berlin, Hans am Waldsee, Argentinische Albee 30: 1960–1985 Asperts
of Italian Art. 106 works by 30 ftal-

ian painters, covering the last 25 years. Among them Ceroli, Fahro and Kounellis (Ende April 27).

onlouse Lautrec - paintings, draw-ings and lithographs. Credit Commumnai Ends Apr 13.

Rome: Gelleria Nazionale d'Arte Moderna: Giulio Turcato: Marvellous ex-hibition by one of the liveliest of monon by one of the invenest or contemporary Italian artists, now in his eighties. Joyful, irrepressible and irreverent, cocking a snoop at conventional values whether it be those of the Communist Party (which he joined in 1943) ar piety. He declined to accept the party's strictures on how artists should paint, and one of his most famous works, The Demonstration (il comizio), on show here, was severely criti-cised by the party leader, Togliatti, as being too abstract. Ends April 30. Venice: Peggy Guggenheim Museum

(Palazzo Venier dei Leoni): Fifty Years of European painting: 1910–1960: Since Peggy Guggen-heim's death in 1979, her collection has been smalgamated with that of her uncle, Solomon R. Guggenheim. Thomas M. Messer, of the Guggen-belm in New York, is thus director heim in New York, is thus director of both, and has organized some 30 works of exceptional quality, representing the important movements of those years: Pauvism, expressionism, cuhism, futurism, surrealism and dada. The exhibition opens with Malisse and ends with Dubuffet, Via Braque, Picasso, Kandinsky, Modigliani, Klee, Miro and many others. Ends Auril 14.

Ends April 14.
Venice: Museo Correr: 127 drawings from the rich collection owned by the museum, from the 15th to the mid-19th centuries, includes Guardi, Canova, Canaletto, and Tiepolo, as well as lesser-known artists. Ends April 17.

lerence, Museo Nazionale del Bargel-lo: Homage to Dannell lor Homage to Donatello: to cele-brate the 6th centenary of his birth the 19 Donatellos the museum owns, of which only six are of absolutely certain stiribution, have been grouped with much documentation, to give a new view of the artist. The exhibition includes his extraordinated and artists are supported by the second of the artists.

rs like Medrid, Max Erust A vast retrospec tive of master of surrealism on show for the first time in Spain gathers 125 works of his early Dada, frot-tages, collages and later stages: sur-realist works up to his death. On loan by the Moma, Centre Pompidou, Guggenheim and Menil centres in Europe and the States, offers the fullest study we have yet had of the work of one of the most relevant artists of this century. Fundacion March, Castello 77. Feb 28 to April

FINANCIAL DEREGULATION CONFERENCE.

May 1st and 2nd

A major conference on Financial Deregulation, presented by the David Hume Institute in association with Deloitte Haskins + Sells. Its aim is to provide a forum for analytical discussion and debate on

the principal issues, areas of opportunity, and potential problems arising from deregulation.

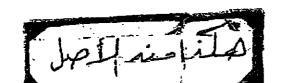
The conference will take place in Edinburgh on Friday, 2 May preceded on the evening of Thursday, 1 May by a reception and dinner, with an address by Professor George Stigler, the Nobel prize-winning economist from the University of Chicago and President of the David Hume Institute.

Principal speakers at the conference will include: -Sir Kenneth Berrill, Chairman of the Securities and Investments Board -Mr Rodney Galpin, Executive Director of the Bank of England -Professor Robert Jack, Professor of Mercantile Law at the University of Glasgow, and Partner in McGrigor Donald & Moncrieffs.

The David **Hume Institute**

-William Seidman, Chairman of U.S. Federal Deposit Insurance Corporation.

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|------------------------------------|--|
| Please send me further inf Name | formation regarding the above conference |
| Address | |
| | Tel No. |



A beginning, but not absolutely right

Absolute Beginners directed by Julien Temple igh Noon directed by Fred

With a series of violent fits and splutters, pop video styles are making it to the big screen. Julien Temple's Absolute Beginners, adapted by a bevy of writers from Colin MacInnes's novel about the rise of the teenage cult in post war Britain, takes that long-inert form, the movie musical, and tries to jolt some 1980s life into it.

To the blast of music by David Bowie, Sade, Gil Evans and others, and emid a Dayglo-coloured studie-built London that is like a rock Disneyland, we meet such MacInnes stalwe meet such machines star-warts as street-smart photo-grapher hero Colin (Eddie O'Connell), fashion model girl-friend "Crepe" Suzette (Patsy Kensit), gay conturier Henley (James Fox), lesbian ladykiller (James Fox), lestian languages Big Jill (Eve: Ferret) and advertising whizz - person Vendice Partner (David Big Ju. advertising wnza-

MacInnes' novel runs his characters through a late 50s England of emergent rock, sudden teenage affluence and a population at last able to throw away its ration books and go out into the boutiques. The novel reads less well than it novel reads less well than it did 20 years ago; mainly—and perversely—because the styles of music and clothes rhyme so closely with today's that the 50s rock culture and argot often merely seem like a paler blueprint for the 80s. There is also, more seriously, a whiff of yesterday's hypocrisies in Macinnes's writing. Though he himself was a homosexual, his first-person namesake narrator has a high old time pillorying gay characters while tending a none-too-convincing romantic fiame between hero and hero-

The film runs foul both of the book's homophobia and of its empty-hearted centre. James and plying willowy wrists, and like leopard-kinned office as pop promoter Harry Charms, are fatuous stereotypes, unrelated betterosexual electricity between arrived there, in the first place.

The movie-camera pyrotech cooper sends you out of the time as all great stars do when the time as all great stars do when the time are stars as all great stars do when the time are stars as all great stars do when the time are stars as all great stars do when the time are supposed to be, or who one's his special line in heroic self-deemingly played. And the hosts are, or why and how one with strange tics blowing across and plying willows wrists, and Lionel Blair, camping it up in his leopard-skinned office as pop promoter Harry Charms,

ಗೇ − ಗರ್ಕಾನ**ಿ ಕ**ರ್ಮಾನಿಗಳು



Lionel Blair, with teenage band in "Absolute Beginners."

Wisest, then, that for much regards story and character development altogether and

house set as he sings the snappy
"Quiet life"; Sade batting
sultry eyelashes amid the disco
glow in "Killer blow"; and the
whole screen erupting in flames, noise and crowds for "Riot city."

The film's final transmogrifi-

cation into race-riot apocalypse

—as Mosleyite agitators stoke
anti-black feeling in a pop version of Notting Hill "58 — is
batty but spirited. And director Temple, veterant of legions of original negative shows there pope videos, has a whale of a spower still in this 1952 horse time with colour litters, crane opera. Despite his resemblance movements and the whole panophy of movie-camers are presented as times to a stick of movie-camers.

Eddie O'Connell and Patsy Perhaps in its next Great Leap it like cloud shadows, is as Kensit would scarcely power a Forward the movie musical will elemental and unyielding as pop-up toaster.

Wiccet then that fore much characters to its back, and then the control of the contr Wisest, then, that for much of its 107 minutes the film disregards story and character development altogether and

merely charges from one redhot production number to the
next. David Bowie prencing
atop a giant typewriter for
"That's motivation"; Ray
Davies leaping from room to
room in a cross-sectioned, doll's
house set as he sings the snappy
"Quiet life"; Sade batting
sultry eyelashes amid the disco
glow in "Killer blow"; and the
whole screen erupting in flames.

Audiences are still willing
to take a leap into the heroic
miknown with Gary Cooper in
High Noon. A man's gotta do
what a man's gotta do! And
in '50 Hollywood a woman's
gotta put up with it. The woman
in this case is Grace Kelly,
looking so beautiful in her
wedding day ghal rags that she
glow in "Killer blow"; and the

alias Marshel Jim Kane—is the only actor who could be just such a superhuman hero. at times to a stick of granite lines that Cagney did say. Most famously: "Top of the world Cooper sends you out of the cinema — as all great stars do — with your head a-buzz with his manner and mannerisms: What other star ever perceived his special line in heroic self-torment. That rock-hewn face, with strange ties blowing across

walls or to live in a zero-gravity world where lesser mortals cannot join you.
It was for a dancing role that

Cagney won his only Oscar, as George M. Cohan in Yankee Doodle Dandy. For that and for his high-flying gangsters—in Public Enemy, Angels With Dirty Faces, The Roaring Twenties—he will be remembered. But I suspect that Cagney's greatest contribution to Hollywood, and to showing that the movie world can be a place of grace, dignity and even a kind of genius, was his willingness to shut up like a clam in front of interviewers. His work was his statement. Only bad actors and falling stars need to shore and failing stars need to address
up their charisma with a stream
of gabble. In Moviedom, the
worst are full of passionate intensity, while the best get on
with it and do what a star's

Another sad colete must be Another san totale must be recorded this week. London's Academy cinema closes after a long history of introducing outstanding rare or foreign films to British audiences. No more will the bamboo decor welcome you, nor will voluminous lady pianists pound out accompani-ments to Buster Keaton. Nor, even more sadly, will hitherto unheard-of masterpieces from Greece or Spain or Romania make vital converts among us to the power of far-flung film-85 minutes of screen time.

James Cagney's face was not knew when that picturesquely seething phiz would suddenly blow its top, scattering ashy fall-out all over your popcorn. "You dirty rat!" Caguey never said, and he kept never saying it denits a thousand important.

so much Monument Valley, more Mount St. Helen's. You never

it despite a thousand impersona-tors. But the apocryphal line

as menacing with a pair of clenched nostrils as with a pair of clenched fists.

Lastly, Last Night At The Alamo, whose press show I was prevented from reaching by vagaries of public transport. I glimpsed and enjoyed 20 minwithout need for six guns. Only a man of superhunan self. became mythic. It seemed to denial could postpone his honeymoon with her for a would-be Cagneys, and it lent climatic, and perhaps fatal, itself to the nasal snape was the only actor who could be just the remaining 60 minutes without need for six guns. Only a stor who could be just the property was his signature. Cagney was ago. I shall see and review the remaining 60 minutes where the only actor who could be just the only actor who could be just the property of the could be just the only actor who could be just the property of the could be just the only actor who could be just the property of the could be just the property of the could be just the

> Nigel Andrews has been named "Critic of the Year" in the British Press Awards for 1985. The judges commended him for "making his points from the film under con-sideration without seeking to and personified the rhyme be-tween the anarchy of dancing and the anarchy of criminality?

Music in Budapest

junctures; and with odd bursts

composers met the real chal-lenge, which is that a Lisztian

fantasy should sound wonderful on the piano. Liszt himself was

not flattered by Fellegri's brusque and steely attack. From the second World Music

Day, a plague of cancellations struck. The ISCM aims to have

national juries and individuals.

David Murray

Budapest's Spring Festival is the sound system through the moment the festival had oratorio might make excessively ended; meanwhile the World bland material for Marko, Music Days, which the Inter-whose troupe is known for national Society for Contempo- athletic expressionism. In fact rary Music (ISCM) promotes in he took the precaution of intera different capital each year, lacing Liszt with grim wartime overlapped both the festival and Shostakovich, at unpredictable

the new season. I had come for the ISCM per-formances, but regretted missing cussion Ensemble. The huge always a cheerful, overflowing affair, with a great deal of music affair, with a great deal of music floating in it; in previous years the concert fare has been underly length of the concert fare has been underplanned, but the 1986 double planned, but the 1986 double list anniversary supplied a useful focus. There was a good haul of Liszt rarities before I have of Liszt rarities before I arrived, and then Ivan Marco's Györ Ballet brought their new Jesus, the Son of Man—based on Liszt's oratorio Christus—to the Budapest Sports Hall. One of the incessant ISCM cancellations (of which more later) left tions (of which more later) left

me free to see it.

The show offered only a little narrative, and even less theology. Apart from Marko's Jesus — seen first as a priest with a happy modern congregation who are suddenly machine gunned down - there are small individual roles only for Mary, Elizabeth and John the Baptist. When not doing peaceable folkish dances, Marko's creatures rush wild and headlong — but brilliantly regimented — from one group pose to another; the gestural style recalls Zurbaran.
This is muscular Christianity

This is muscular Christianity indeed, and Markó is the centre of the cult, with his gift—nay, lust—for emananting raw power, majesty and satisfied suffering. It is a ballet about the Leader; it must be years since a dancer-director produced anything so self-aggradising Pope companyation. aggrandising. Pace compensates for some want of choreographic variety, and the few stage-effects are simple and bold, but what I shall remember with a shudder is Marko's ineliable saintliness when walking on

irreplaceable; that disposed of not so much a celebration of which the Hungaroton record-spring as a way of beguiling the ing of Christus was relayed have included Lutoslawski's time while waiting for it to was more than enough for it. Chain 1. One pianist was unable, arrive. Spring arrived this year. One had wondered whether the or disinclined, to perform Gerald Barry's Sur les pointes; another damaged himself when playing Beethoven, which killed two more half-programmes. The flu-ridden conductor recovered to appear in the final concert, but with Bartok's Concerto for Orchestra replacing two big French and

> audience was, I think, enrap-It seemed only right that the tured.
> Liszt figured in the first Bartók, which got a bang-up performance from the Budapest Symphony, should have been delayed by a lost oboe (not an oboist) for 20 minutes. ISCM visiltors—not all of them com-posers who had travelled from distant places to hear their works unperformed—had been observing sourly that no Hun-garian music seemed to have been cancelled. That was surely pure chance, like the choice of uniformly wretched music (not years; Fellegi delivered the pieces with sullen efficiency, not disguising their barrenness. Hungarian) made by the ISCM Hungarian Section for their chamber concert. Though Gulin Corrado's winning Fantasy showed some fluent imagination, none of the

But the level of performance veered dismayingly between polished commitment and inept floundering; and in the main concert hall of the venerable Zeneakadémia every voguish orchestral planissimo exposed orchestral planissimo exposed the fact that every seat creaked, while in the recital hall every performance had to compete against organ-practice and the like from outside.

an annual showcase for new music; its international jury "selects" some works and "in-vites" others—a subtle distinc-tion—from music submitted by For all I know, every ISCM get-together may be like that. Perhaps the overlap with the Spring Festival, and also the but leaves each year's host-country to supply the per-formers and arrange the profamous factionalism of the musical avant-garde in Budacountry to supply the performers and arrange the programmes. In hyper-musical sophisticated Hungary there should have been no problems. In fact there was something approaching a debacle.

Long before the ISCM week began, some pieces had been abandoned because they required a chorus, or some gongs. The parts for a Belgian work had not arrived. A Polish quartet had cancelled, eliminating aintliness when walking on tet had cancelled, eliminating rest of the World Music Days, the water, half a programme. A conductor and I shall do than early next The stadium is immense, but had flu, and was apparently week.

People Show No 91/Almeida

Michael Coveney whose crunching crisps become

In front of a red plush curtain, a casually indifferent MC in a paper hat, bunch of Bacchic grapes stuck to a lapel. welcomes us to the new show (the ninety-first since the People Show was founded 20 years ago). The curtain parts and Icarus is released from prison: daylight cells him like commissionaire. vulgar, the radiation a soft fried egg. The romance I carus played by the reso and culture. a soft fried egg. The romance of Icarus and his girlfriend is

The action breaks out over an astonishing motor-powered revolving set which contains such various locations as the Falkland Arms, where learns Arthurian apotheosis by dis-riff threatening to emulate the wins his lucky raffle and meets covering a sword in a grave-multiple horn blowing antics a Flanagan and Allen duo stone) and "Summertime" in of the late Roland Kirk.

the audible tramp of soldiers' boots; an illuminated fair-ground ride after a day at Kempton Park; the cliffs and seasbore; a seedy Brighton above cracking a bad joke. This hotel in which Icarus is is what marks the People Show

girl for all seasons, singing is a versatile musician. George "Blue Moon" in the pub. Khan, bald and beatific as ever, "Stormy Weather" on the sea- is on hand with his battery of shore (before Icarus achieves saxophones, in one memorable

Sir Peter Pears is dead

a snow blizzard. The MC had warned us the show was full of weather - whether to leave, whether to stay . . . Mark Long is our host, never

humiliated by the staff and sent out from its performance art to his room by an armed rivals: a preduction for the vulgar, the recognisable in life

a soft inited egg. The romance of Icarus played by the resoof Icarus and his girlfriend is lutely enigmatic. Chahine the pretext for a surreal and unnerving scenario of jazz, murder. mystery, aggressive banter and pursuit.

The departure of Emil Wolk has caused a weakening in the husky-voiced Collette Walker as the girl who gets away, but not quite far enough. She is a not quite far enough. She is a scorish than visceral, but he side of the pretext for a surreal and the pretext f

Il Candelaio/The Pit

On the evening that London Zoo had an Open Night in the Snake Pit, the Royal Shake-speare Company presented Giordano Bruno's Candlemaker in more resamblance to the assumes a welcome touch of Zenze of Bearned comedo" than dato Bruno's Conditentals in no more resemblance to the assumes a welcome touch of its own nocturnal arena. The genre of "learned comedy" than the entertainments were probably equal, but I suspect the repetiles were prettier.

Seventy-five scenes have been trimmed, pruned and condensed. The sour 1582 comedy the production constantly reminds that and wife who takes her us of Gammer Gardon's Needle; place to catch her husband out

jogs through 105 interval less minutes, despite such interpola- pone. tions as a speech on bawdry for the procuress and a comic suicide attempt (the rope bling anecdotal dialogue clog-suicide attempt (the rope breaks, pistols emit sooty discharge), not in the original. charge), not in the original.
The resultant robust knock-

from an early Tudor interlude picaresque procession of gro—though the play actually predected evokes one name dates Bruno's sojourn in irresistibly today Bruno would England where he knew Philip be filming his rogues' gallery Sidney and the ancestor (to with his compatriot, Fellini. maintain the intellectual tone)

Performed by students, this of the owner of the theatre where The Mousetrap is play fully received as the hint of a ing, and where he put a characciassical more read than acted.

it should look forward to Vol-

The resultant robust knockabout, is not too far removed
from an early Tudor interlude
—though the play actually predates Bruno's sojourn in irresistibly today Bruno would

ter called Smitho into one of his philosophical dialogues.

The trouble is, this skinned,

tart and wife who takes her place to catch her husband out (shades of Figure), making a positive figure as the naive lisper, and flashily sumptuous in the off-the-peg imitation of Imigo Jones original. Oliver Ford Davies (magi-

cian) and Donald Sumpter (the slightly sinister manipulator who wins but) also inhabit Liz da Costa's seedy, sunbaked Italian street. The diminutive Anthony O'Donnell swaggers with hilarious fierceness in but only David Bradley's beautifully scrofulous alchemist strikes the right note of irredeemable perdition cheerfully scrabbling in one of the outer circles of hell.



Bruce Alexander and Tina Marian in "Il Candelaio."

Sir Peter Pearse CBE died Pears to be convincing in Britten and other eminent yesterday, aged 75, at the home Britten characterisations like partners but in specially written in Aldeburgh he had shared Peter Grimes and Albert Herworks by Tippett and Henze for over 30 years with thelate ring, which one might have made him a well-known, widely

He was born in 1910 at

Farnham, won a scholarship to the Royal College of Music in London, sang in the BBC choirs. the New English Singers and, in 1938, the Glyndebourne chorus. Intelligent musiciansi and theatrical flair enabled

in Aldeburgh he had shared for over 30 years with thelate for over 30 years with thelate Benjamin Britten, the composer. It is doubtful whether any British male singer has had so long, versatile and influential a career.

Better Grimes and Albert Hermand works by Tippett and Henze made him a well-known, widely respected figure in Europe and further afield.

He was a founder member of the English Opera Group, an active director of the Aldeburgh Festival and a pillar of the Aschenbach in Death in Venice.

Better Grimes and Albert Hermand works by Tippett and Henze made him a well-known, widely respected figure in Europe and further afield.

He was a founder member of the English Opera Group, an active director of the Aldeburgh Festival and a pillar of the Britten-Pears School at nearby He excelled in the principal tenor roles of Mozart, and in subtle comedy—Vasek in The Bartered Bride, Pandarus in Walton's Troilus.

Sir Peter's protean concert work, not only in recitals with his acutely musical style.

the English Opera Group, an active director of the Aldeburgh Festival and a pillar of the Britten-Pears School at nearby Snape, leaving his mark on the succeeding generation of English singers. His numerous gramophone records will per-petuate his individual peculiarities of timbre and diction and

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Rocking to the Bank

the winning band.
This year there were 400 entries, and although most of the eight that qualified for the

final at London's Camden Palace slipped into a predictable disco funk groove, with scarcely an aspiring guitar are hero in sight, it was a happy occasion. Most of the songs were original, and if the young ape their heroes in their self-conscious dance spots and their laid back electronic keyboard techniques. then that is the attraction of youth.

The attraction for TSB is that the event will dominate Saturday morning on BBC television. Over the years the competition has attracted 20 TV films, and although the cost of the event-around £150,000 this year-makes it one of the more expensive sponsorships, the pay-off is tremendous. It has the attrac-

Well done Tom Hood Senior it carries the company name; it has longevity; it is unique to East London, winners of this years TSB Rock School Competition coverage.

tition! And well done TSB for staying with what must be one of the most successful arts sponsorships going.

For six years now it has organised the event in which sheel hands commented for a parting its name across, notorganised the event in which school bands competed for a place in Wednesday's final and the possibility of walking away with a £2,000 cheque, equipment, and radio broadcast for the winning band and the winning band are suffered a legal setback but it has certainly succeeded in getting its name across, not ably to the young. Last year nearly a third of the 400,000 school leavers who opened a banking account went to TSB, the winning band nearly double the market share of the second-placed bank. The average balance may only be around £200, but time should better that. It costs a lot to involve these

иt

potential customers — around £2.5m in promotional activity alone. Its publication TSBeat which mixes pop stories with financial soft sell, prints a million copies twice a year for free distribution through branches. TSB offers new account holders discounts on records and cassettes with Virgin and clothes with Debenhams and Just-In. And it issues a 128-page paperback listing 20,000 holiday jobs.

New artistic director for Bristol Old Vic Leon Rubin, at present artistic director of the Palace tions that potential corporate Theatre. Watford, has been sponsors of the arts dream appointed artistic director of about: it is involved with youth; the Bristol Old Vic.

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Friday April 4 1986

Tutu's call for sanctions

Johannesburg has posed a dilemma for the opponents of apartheid outside South Africa with his public call for punitive sanctions against the Pretoria

If they ignore him, they run the risk of letting President P. W. Botha and his men jump to the conclusion that the out-side world is not serious in its opposition to apartheid. If they take him literally, they may stir up an already unstable sit-uation in South Africa without furthering their cause. They would also be unlikely to get together concerted and effective

Great political skills will be needed to navigate between these twin dangers. The dangers of failure are obvious: more strife with no guarantee that the end result will be the replacement of apartheid, or at

any rate its replacement by a more acceptable system.

The Anglican bishop's call for radical sanctions has to be judged against both long term trends in South Africa and more recent events. Over the long term, white supremacy has been whittled away as an increasing number of blacks entered the Industrial economy. Their Industrial economy. Their importance has been growing steadily both as producers and as consumers. Without their contribution South Africa could not hope to keep on a long term growth path

Economic role

Under the impression of the growing economic role of blacks the Nationalist government has chipped away at some of the more obvious irritants of apartheid, without however abandon-

ing the basic structure.
Of late that process has been speeded up by pressures build-ing up both within the Republic and outside. Within, violence in the black townships was stoked up by the unemployment accompanying economic recession. From outside, the refusal of international bankers to go on lending to South Africa greatly

increased the heat. way. maintaining steady pres-The banks had some pruden-tial reason for refusing more hog of punitive sanctions.

money, but South Africa still looks a very much better risk than many other borrowers on the world scene. What did cause bankers to turn off the tap was something very different: the increasing restiveness of shareholders and depositors in the US. It was their refusal to acquiesce in further lending to South Africa that helped to make up the bankers' minds.

Outside pressure

Their decision helps to explain the difference in tone and contents between President Botha's speech last August, when he disappointed all those who had hoped for a programme of reform, and that in January of this year which promised constructive, if limited, change. Mr Botha's change of mind shows that outside pressure must be kept upon him and the white supremacy system. He, personally, may be convinced, however reluctantly, of the need for reform. But it is essential that his white electorate should be kept aware of the enmity that apartheid has aroused in the outside world.

Doing so does not require full scale "punitive" sanctions whatever that means in detail. Radical sanctions would remove all hope of economic progress in South Africa which has pro-vided the base upon which the blacks have been able to in-crease their role in society, however slowly. Punitive sanc-tions would also drive many whites into the laager mentality.
The beleaguered do not usually act reasonably.

The entire question of sanc-tions has been studied by the group of eminent persons appointed by the last Common-wealth conference to report next June. The idea of their mission was born of the need to smooth over the differences between the desire for all-out sanctions of many members of the new Commonwealth and the British wish to keep action to a minimum. It would greatly help if the report, when it comes, were to advise a middle

Why industry matters

select committee chaired by Lord Aldington created quite a stir by suggesting that, unless something is done quickly to and a weak exchange rate will improve the performance of manufacturing industry, Britain will face a bleak future as oil revenues decline. The report did not please the Government because it seemed to show little respect for market-oriented economic policies; indeed in some circles it is regarded as a prime example of the sort of "do it yourself" economics that Professor David Henderson, this year's Reith lecturer, recently railed against. The Chancel-lor went out of his way in his Rudger space to provide the Budget speech to pour scorn on its analysis, arguing that most of the alarm is misplaced.

Lord Aldington will doubtless be gratified that another DIY economist of some stature has surfaced. In his Richard Dimbleby lecture delivered yesterday, Sir John Harvey-Jones, the chairman of ICI, produced a strikingly similar appraisal of the weaknesses of appraisal of the weaknesses of British industry, similar grim forebodings of what may happen if attitudes do not change and similar policy recommendations. Thus Sir John maintains that industry the which he means that industry (by which he means manufac-turing) is of "vital" importance to every man, woman and child and that, in the UK, it is fast becoming an "endangered becoming an "endangered species." He does not share the view put forcefully by Sir Alan Walters, Mrs Thatcher's former economic adviser, that Britain is enjoying an renaissance."

Social aspirations

All this is confusing for the Man on the Clapham Omnibus. How can a large number of respected industrialists and a school of equally respected economists appear to disagree so profoundly both about the condition and prospects of the economy and about the path to a better future? The Chancellor, after all, is quite relaxed about the UK's long-term future: his line is that all economic activity matters and that no special emphasis should be laid on the manufacture of tangible goods. He argues that as oil runs out, other tradeable goods and services will automatically expand to plug the gap in the balance of payments.

So long as the exchange rate is allowed to adjust, the belief in "automatic adjustment" is justified, but only in a trivial sense. What matters, of course, is not whether the balance of payments balances (as it must) but at what level of output and employment it balances. If manufacturing industry con-

tinues to perform poorly b world standards, output and employment will be lower than ration the quantity of imports the British public can afford to purchase. What is indisputable, as Sir John argues, is that future living standards in the UK—the ability to meet our "social aspirations"—will depend in large part on the performance

industries will also matter, but perhaps not so directly. The reason is that services are less relevant to the balance of payments. It is still the case that a comparatively small proportion of services are tradeable. The scope for a huge increase in service trade looks limited for two reasons. First, contrary to facturing. Second, there is still considerable international re--partly because it is in-extricably linked with knotty questions about foreign invest-ment and rights of establish-

Dismal image

The worry about manufacturing has little to do with the decline of oil: the problem is that for two or three decades imports have grown steadily faster than exports. And since 1973, unlike any other industrial nation, Britain has experienced an absolute decline in manufacturing output — not simply a contraction of its share of the economy. The question is what to do about this. Sir John, like Lord Aldington, lays considerable stress on what can only be described as "sociolo-gical" factors.

Manufacturing, he believes, must be made attractive to the young and talented. This is not just a matter of pay but also of image: manufacturing must become something that cultivated intellectuals want to do. The dismal image of dirty factories conjured up by a painter such as Lowry has to be exorcised and replaced with something bright and clean. Few are likely to take issue with Sir John's "artistic" case for industry. But eyebrows may be raised at what he failed to say in his lecture. It is odd to say the least, that the chairman of ICI ignored almost all of the Government's economic preoccu-pations. Don't consult the Dimbleby lecture if you want,

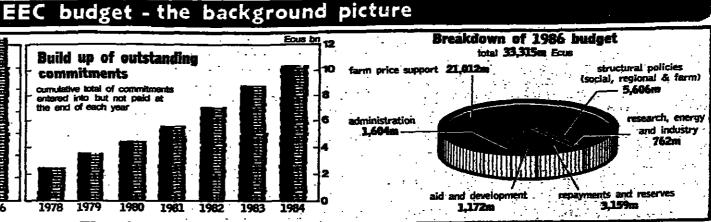
of manufacturing industry.

The performance of service popular belief, the UK is not that good at services: it is losing its share of world markets faster in services than in manu sistance to free trade in services ment—and it would be foolish to rely upon rapid reform.

for example, to learn how to liberalise markets or make wages more flexible.

EEC spending

Build up of outstanding commitments



The crisis that never went away

By Quentin Peel in Brussels

N JANUARY 1, 1986, the member states of the European Community raised the level of subscriptions to their club. Barely four weeks later, they got the first inkling that it

might not be enough to pay for the soaring running costs of the organisation. Today, just three months later, they know: the EEC

budget crisis is back with a vengeance. It should by now have been at least temporarily resolved, but in fact it never really went away.

If the stark figures spelt out
by Mr Henning Christophersen,
the Budget Commissioner in

Brussels, prove anywhere near the mark, then spending cuts will almost certainly have to be ordered before the end of the year. They will have to come from community programmes such as social and regional spending on youth training and job creation, or from industrial research programmes, quite apart from seeking to restrain the real culprit, the Common Agricultural Policy.

The figures also suggest that the much vaunted system of budgetary discipline agreed by to restrain the growth of community spending and, particularly, to keep the growth in agricultural spending below the overall growth in EEC revenues, is proving all too easy to breach.
In essence, Mr Christophersen

listed at least Ecu 2.9bn (£1.9bn) in extra spending likely to be required -- against only Ecu 2.5bn left within the ceiling on budget contributions legally available from the member states. This week he disclosed that the shortfall in cash for the structural fund alone—mainly the social and regional funds—now totals Ecu 1.169bn (£740m) for the current year.

While Mr Christophersen was was asking the European Court in Luxembourg for an injunction to withhold some £75m in budget contributions this year.
It argued that the spending approved by the European Parliament was illegal to the tune of some Ecu629m (£409m) in the Ecu33.3bn budget.

Back in Brussels, the finance

to fix the ceiling on 1987 spending in line with "budgetary dis-cipline"—in spite of the fact that their 1986 ceiling is already badly punctured and will even-tually be blown wide open.
On the face of it, the Euro-pean Community and its institu-tions, like the European Com-mission and the Parliament,

would seem to be hopelessly spendthrift, restrained only by the valiant efforts of the 12 member states. The truth, in-evitably, is rather different.

For a start, the Community is no more than the sum of its 12 members, and its budget is a direct consequence of their policies. The Commission is merely the bureaucracy which tries to put their policies into effect (although it can make a few suggestions). The Euro-pean Parliament is a sop to democratic control which, in reality, can add only a small amount of extra spending at the margin: it cannot tamper with the vast bulk of the budget, and above all with the farm spend-

The budget crisis is the product of years of botched com-promise in the Council of Ministers, the decision-making body of the member states, and of a failure to co-ordinate the policies of the different national departments involved.

The council perpetuates the legal myth that it is somehow united and indivisible. In reality, it is a machine of ill-fitting cogs. often working in competition rather than coordination

The unhappy consequence is the annual budget—invariably negotiated through the night by junior treasury ministers who have been known to make wild and foolish compromises in the early hours in the faint hope of getting to bed. This already flawed system has had to contend with the

persistent strain on total cash resources of recent years, and warning EEC finance ministers now the budget has become the last month of the approaching main arena of policy debate over the future of the community as a whole.
On the one hand must answer the question of how and when to reform the

Common Agricultural Policy, so support for farm prices does not absorb two-thirds or more of available money. On the other, it is a matter of deciding what new policies the community ministers were debating where could and should afford

finance ministers' meeting last which a senior commissioner replied: "Because it is the

future of the community." The seeds of the present budget crisis lie several years back, as the community grad-ually approached the ceiling on member states. At that time it was fixed at the so-called 1 per cent value added tax ceiling (a theoretical formula involving 1 per cent of the volume of retail sales in each member

Mr Frans Andriessen, the Farm Commissioner, gave the first hint of the scale of the pro-blem when he presented his month, a senior diplomat was first hint of the scale of the proheard to bewail: "Why do we have to conduct these interminable budget debates? Why can we not discuss the future of the community instead?" To the community instead? To the community instead? To the community instead? from much tighter management on cereals producers, total spending would still go through the "budgetary discipline" ceiling set by the finance ministers. The first problem is that the farm ministers are unlikely to accept the price package as it stands — especially since the arrival of Mr Francois Guillaume, the new French farm minister, has brought a

6The Council of Ministers perpetuates the legal myth that it is somehow united and indivisible. In reality it is a machine of ill-fitting cogs. 9

state of a common basket of firm and furious defender of goods and services). To eke out the cash, the budget ministers learned tricks for postponing spending from one year to the next; of build-ing up long-term commitments but cutting back on immediate payments; and finally, in 1984. i agreeing on a once-off reimbursable advance" of money from the member states to fill the gap.

By January 1, 1986 when the VAT ceiling was raised from 1.0 to 1.4 per cent, they were, in effect spending at almost the new level. It was inevitable that the increased resources would be exhausted all too quickly. The immediate problem has

three main elements. The biggest is, inevitably, the ing partly the result of the falling dollar's effect on export subsidies for farm products and partly because of the increasingly desperate need to get rid of the accumulated surpluses of cereals, butter, beef and wine, to name only the most

farm incomes into the council.

More immediately ominous, however, is the effect of the falling dollar. When Mr Andriessen first spoke, it stood at Ecu 1.12, compared with the Ecu 1.2 assumed in the 1986 budget. Over a full year that would mean increased costs in the shape of extra export sub-sidies to sell EEC farm products totalling some Ecu 750m. If the dollar averages less — like the Ecu 1.02 to which it fell last month — the extra cost would double to about Ecu 1.5bn.

of disposing of some of the food in collection procedure; part as mountains. Mr Andriessen is outstanding because Britain's receipts from the EEC budget to the collection procedure; part as mountains of some Ecu 1.155bn receipts from the EEC budget to the collection procedure; part as mountains of some Ecu 1.155bn receipts from the EEC budget to the collection procedure; part as mountains of the co beef and butter stocks in the As the UK gets an automatic course of the year. The big unreduction in its budget contribu-known in that process is what tions amounting to two-thirds effect such a huge disposal proof its net contribution—thanks
gramme—of 270,000 tonnes of to the budget deal negotiated by
butter and 200,000 tonnes of Mrs Margaret Thatcher at the
beef—would have on world Fontainbleau summit in 1984—
market prices for normal EEC the amounts have to be paid.

tion of financial forecasting, and

The second element in the overspending is at least Ecu 800m to pay for what has been christened the "burden of the past." That burden is the huge backlog of unpaid commitments on social and regional fund projects—a backlog now so large that it may force cuts in new spending schemes.

The build-up is a consequence of an unhappy compromise be-tween the budget ministers and the European Parliament in recent years; they have agreed to cut back current spending on these projects only if extra long-term commitments are written into the budget. But written into the budget. But those commitments have a current cost. A down-payment has to be made of up to 50 per cent in the case of Social Fund projects and rather less for the Regional Fund.

Now the commission is onths behind in paying off bills for past projects and also short of cash for down payments on new schemes, to the tune of the Ecu 1169bn, it says.

The Council of Ministers may well be asked either to reduce the fixed level of down pay-ments for Social Fund projects, or to cut back the scale of new commitments already written into the 1986 budget, directly hitting those concerned in the depressed regions of the community_

The third element in the supplementary budget could prove the most embarrassing for Britain: it is at least about Ecu 600m needed to pay for an increase budget rebate—or, abatement, as British officials insist on calling it. Part is owed because British's VAT contributions in 1984 were higher than expected because of a change

The embarrassment is that it

soak up in the order of Ecu for the second half of 1986 the libbur from a supplementary which actually has to sort out budget—assuming the farm ministers accept the rest of the second half of 1986 to the second which actually has to sort out the whole mess—the extra spending needed for 1986, somehow keeping the 1987 budget within the VAT ceiling as well and also pushing through the ever more urgent reforms of, the CAP in the face of a much more hostile French govern-ment.

It is a problem which will aggravate all the traditional political divisions in the com-munity. Already, the northern states, determined to keep EEC spending under strict control. have made it clear there is no question of any increase in the VAT ceiling before 1988 at the earliest—if then. Mr Gerhard Stoltenberg, the West German Finance Minister, has flatly stated that any new policies which would cost more money are out of the question Yet the area which looks

most likely to be hit-social and most intery to be interested and regional spending—is just the one which the poorer member states in the Mediterranean (and Ireland) demand as a quid pro, quo for relaxing their national barriers to a genuine Common Market. If the north wants a Common market by 1992, it will have to be paid for,

Ways out of the maze are none too obvious. Clearly the community needs much more co-ordination in the Council of Ministers, and far greater emphasis on long-range budget planning. The former is partly up to the nation in the chair. The later is in the pipeline with Mr. Christophersen, this, week persuading his colleagues to accept a four-year plan.

As for sources of more cash: one idea of a new energy tax, floated very tentatively by commission president Jacques Delors recently, ran into a brick wall-from the Twelve. The other area, being explored in desperation as much as hope, is the greater use of community bor-

Mrs Thatcher, Sir Geoffrey and Mr Nigel Lawson, the Chancellor of the Exchequer, face a very real challenge to their crisis matures just in time for the British presidency. If it The embarrassment is that it were not so serious, many in

The net consequence is that will be the British government

Brussels would enjoy the proagriculture alone will probably in the chair of the community spect.

FET :

CHRISTIE'Sshould come in handy at CSFB while oil prices continue to



Following the successful relaunch in 1985 of our City wine auctions, Christie's are now holding another wine sale at the Institute of Chartered Accountants on Tuesday 8th April 1986 at 12.30 p.m.

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Men and Matters

After rows over unfair advertisements, poison pill defences and general takeover skullduggery, comes a new bid tactic which, for the moment at least, seems refreshingly free of con-troversy: the recorded telephone message from the chairman. Advertisements, appearing in

Chairmen

on call

national newspapers this week, have invited shareholders in Imperial Group to ring a certain number and hear Geoffrey Kent, the company's chairman, and Sir Hector Laing, who heads United Biscuits, explain in a recorded message why investors should support the proposed merger between the two. Meanwhile, on another number, Lord Hanson, chairman of Hanson Trust, can be heard asking shareholders, with brisk courtesy, to back his rival bid for Imperial.

It is thought to be the first time this means of putting a message across to small share-holders has been tried in a takeover — at least in recent years. Credit for the initiative goes to Hanson Trust, which placed advertisements in two newspapers last Sunday. It says that by midnight on Tues-day those advertisement alone



wire basket and

had produced 2,500 calls. Imperial had been planning to mail an audio tape to its shareholders but quickly switched to the telephone when switched to the telephone when Hanson began its service. "It's cheaper, less fiddly than a tape, which requires the shareholder to have playing equipment, and it's a bit more exciting for the caller," said Imperial. It added that yesterday alone it received 5,700 calls, though one or two shareholders were upset that they only heard Mr Kent's re-corded voice and had not spoken to him in person.

spoken to him in person.

Investors who ring Lord Hanson have to pay for the call. But as from yesterday, Imperial has introduced a "freefone" service. "We think it right that this should be at the company's expense." said an Imperial spokesman. "Free advice is poor advice," countered the Hanson camp sourly. Could this be the makings of a controversy?

Capitalist plot

Here is a tale from the para-noid tendency in British politics. A ginger group in the Communist Party reckons that Lenin would be spinning in his grave if he could see how soft

the party has become under its Eurocommunist leadership.

So the Communist hardliners — known affectionately as "tankies" — are responding in the traditional way. They are isunching a new magazine, with the catchy title of Communist Campaign Review.

So far so familiar. Put are So far, so familiar. But you

have to read as far as page 45 of a "tankie" pamphlet on the issue to discover the real reason for this addition to our choice of political reading. It is a response to Markism Today, the respected Eurocommunist journal, from which Marxism is noticeably absent And this is where the paranoia creeps in. "The capitalist class," the tankies" argue, "fully

"tankies" argue, "fully understand and appreciate the role of the journal and, therefore, do everything in their power to assist and promote it." The evidence for this conspiracy? — "Thus we find hordes of journalists from the Guardian and the FT writing articles for Marxism Today."

Model banker Credit Suisse First Boston believes in giving youth a crack at the helm.

The bank's new senior UK economist is to be Giles Keating, aged 30, who has been wooed away from the London Business School.

John Hennessy, chairman and chief economic of CSER.

chief executive officer of CSFB says he regards Keating "as one says he regards keating as one of the UK academic community's most highly-regarded economic commentators."

Certainly Keating has already packed into his short career rather more than some economists manage in their lifetimes.

lifetimes. After Westminster School and St Catherine's College, Oxford, he worked for the Confedera-tion of British Industry on its industrial trends survey and economic forecasts.

When he moved to the London Business School as a re-search fellow at the school's centre for economic forecasting he managed to squeeze in, as me managen to squeeze in, as well, an MSc course at the London School of Economics.
"I did a lot of jumping on and off the tube trains to fit it all in" he says.

He also found time to write

two books.
At the LBS Keating has been developing his own econometric model to assist his specialisa-

the study of flows of funds. His interest in measuring the UK's expected performance against the rest of the world

Flower power

Japan is under a lot of pressure these days to spend more on itself and stimulate its domestic conomy. As a result, it should be no surprise that Japanese companies are turning to UK groups for advice on how to live more elegantly.

Salyo Corporation, part of the large Selbu retailing group, has, for example, sought the aid of the Royal Horticultural Society the Royal Horticultural Society for ways to beautify its housing developments and landscaping projects. Following a recent visit to Japan by Christopher Brickell, director general of the RHS, the two groups, have joined lands in a board-ranging gardening venture.

The two plan to work together to develop a nature park in Akagi, about one and a half hours drive from Tokyo, in addition to other projects. One of the flowers to be planted there will be Exbury azalea, a

there will be Exbury azalea, a plant which was bred in England from a Japanese strain of azalea. With cross-fertilisation like this, who knows what may be next?

Big deal

Anxious observers of the US motor trade's thumping, deficit with Japan can take comfort

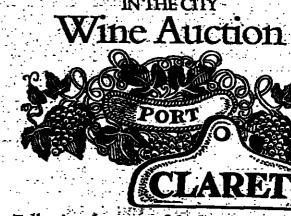
with Japan can take comfort from a press release winging to my desk all the way from Toyota's Tokyo office.

In a move clearly designed to dampen, the free of protectionism. Toyota says that as part of its "energetic promotion of imports" it has taken part in a major US trade show. Fundamental decisions have followed.

So lucky Japanese customers will now be able to go into any Toyota showroom and buy American-made car polish

Observer

ملاأسد للمل



"ASSERTIVE" is the word most frequently used by Amerimost requestry uses by American commentators to describe President Ronald Reagan's foreign policy over the past two weeks. And there can be bittle quarrelling with that assess-

In the space of a few days, US forces salled challengingly through Soviet waters off the Crimea in the Black Sea and provoked an exchange of fire with Labya in the Gulf of Sirte. American helicopters, in scenes reminiscent of an earlier fil-fated conflict, ferried Honduran troops to defend their border against Nicaragua; and it was revealed that Washington was beefing up the anti-Communist rebels in Angola and Afghanistan with sophisticated Stinger

anti-aircraft missiles.

Mr Reagan, it is believed. wants to step up pressure on the Nicaraguan Sandanistas by send-ing similar weapons to the Contra rebels as soon as he gets the go-shead from Congress. Meanwhile, despite the so-called "Spirit of Geneva" established at last November's superpower summit, relations with Moscow have been allowed to drift into irritability and uncertainty.

In Washington, some people bave read into this sequence of events a sea change in US policy, a concerted move to global activism now that the Reagan Administration thinks that it has "got Moscow on the run." And it is true that the more hardline officials, and conservatives both inside and out-side the Administration, would like to believe this and, indeed, there is something in the

like to believe this and, indeed, there is something in the salysis.

But the truth in not quite so dramatic. All of Mr Reagan's latest actions stem from long-held beliefs, and policies that it was at least in the eyes of misst of the world, on the entered the White Mouse in January, 1981. Mr Reagan has always made it clear that he intends to stamp out Communism in Central America, confort the Soviet Union in the Intends to stamp out Communism in Central America, confort the Soviet Union in the Intends to stamp out Communism in Central America, confort the Soviet Union in the Intends to stamp out Communism in Central America, confort the Soviet Union in the Intends to stamp out Communism in Central America, confort the Soviet Union in the Intends to stamp out Communism in Central America, confort the Soviet Union in the Intends to stamp out Communism and the Administration's long-held view that it is a manorandum sent to Confort the Soviet Union in the Intends to stamp out Communism and the Administration's long-held view that it is fisher than the Intended, it would be surprising it to Americans.

For Mr Reagan, however, that is rising around the world, and especially in Latin Americ's military strength and 'holding the line' it as a done is not have comen to a head at the side think the stamp only on the control of the Intends to Americans.

For Mr Reagan, however, that is rising around the world, and especially in Latin Americ's military strength and 'holding that exception rather than the rule over the years, and one is not head that it is stamp and put his stamp of Communism the Administration of Communism the Opposite of Communism that the second of Communism the Proposite of Communism the Proposite of Communism the Intends to a second the second of Communism the Intends to a second the second of Communism the Intends to a second the second of the Intends to a second the Intends to a second the Intends to Communism the Intends to Americans.

For Mr Reagan, however, that is a safe issue the first the has l

Reginald Dale looks at the aggressive turn in US foreign policy

Natitional Security Council, increasingly Mr William Casey's Central Intelligence Agency and when military or strategic matters are involved, the Joint Chiefs of Staff. Sometimes one power centre or coalition wins,

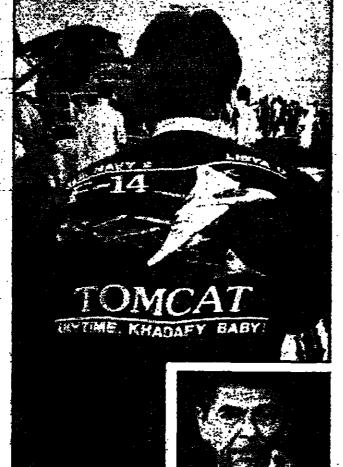
Mr Reagan's foreign policy, whether on South Africa or the Philippines, has tended to be rearrive to events. Although anti-Communism provides a broad underlying theme, individuel decisions have been largely at hoc. That does not appear to have changed.

As the Administration's critics have been units to resist one.

have been quick to point out in recent days, there has often been little evidence of clearly thought-out longer-term objec-tives—whether it be in sending the US Marines into Berrift in 1983 or ships and planes into the Gulf of Sirte in 1986. What does seem to have

changed recently is the climate in which such decisions are taken. There is a new air of self-confidence in Washington. Part of this undoubtedly stems from the ousting, in quick succession, of dictators in Haiti and the Philippines, for which the Reagan Administration is claiming eraggerated credit. It believes that the withdrawal of US support for the fallen dictators at the psychological moment, and the provision of US aircraft to fly them out, were instrumental in the restoration of freedom.

But however much credit is, or is not, due the Reagan Administration his m doubt that it was, at least in the eyes



Reagan's new 'freedom tide'

against Communism—most not-against Communism—most not-ably in El Salvador. Now, in his second term, a stronger United such forces with Stingers, highly states can start "rolling back effective against Soviet helicop-

the enemy."

It has been a basic tenet of the Administration's strategic thinking that with a rough the rebel cause, not setting out

Mr Reagan cares even less when he is irritated by the Soviet Union. He is now annoyed by Mr Mikhail Gorbachev's refusal to set a date

Sirte. It certainly did not come to the aid of its client, Libya. Nor did Washington expect it

And the same of th

for the next superpower summit in Washington, and his continuing attempts to score public propaganda points. Thus Mr Reagan had no hesitation in immediately rejecting the Soviet leader's weekend call for a meeting in Europe to negotiate a nuclear test banan offer that Washington regarded as little more than a spoiling tactic designed to embarrass the President.

Mr Reagan, again with his

eye on history, would like improved relations with Moscow, and an arms control agreement, provided—a big proviso—that he can have one on more or less his own terms.
But the new self-confident
mood in Washington is
encouraging Administration
officials to be even franker in

Haiphong harbour while Dr Rissinger continued to talk to Moscow in the private "back channel." The Reagan Admini-stration certainly still believes that Mr Gorbachev will in the end come to a second summit, because it is in his interest to

But Mr Reagan in any case has a fall-back position. If he does not go down in history as a peace-loving President who forged a new relationship with Moscow, he will probably be equally happy to go down as a President who stood up to Communism and did not compromise US interests for the

sound like apologists for Col Gadaffi, or criticise a glamorous display of American military prowess, however, concerned they may be about the risks inherent in such derring-do. more than routinely over the US fleet's activities either off the Crimes or in the Gulf of

A Newsweek poll this week showed 75 per cent of Americans agreeing that use of force against Libya was justified. Over half (56 per cent) said that Mr Reagan "makes wise use of military forces as college forces and the continuous said that the said of the continuous said that the said that the said that the continuous said that the said thad the said that the said that the said that the said that the sa forces to solve foreign policy problems."

They would not have said so if there had been significant American casualties. Indeed, it is the fear that American troops will be sucked into Central America in the bloodshed of "another Vietnam" that is the main reason for the continuing main reason for the continuing popular opposition to Mr Reagan's Nicaragua policy. Many of Mr Reagan's critics believe that by practising a policy of limited force, he is setting foot on a ladder of escalation that will lead to wider war and increasing US involvement.

One of the main points of the "Reagan doctrine," how-ever, is that it is meant to send only non-Americans into comofficials to be even franker in spelling out that this is not to inhibit US behaviour.

"The message," says one senior official, " is that we want better relations with the Soviets but we're not going to ston doing this."

better relations with the Soviets but we're not going to stop doing things that are in our interest just because the Soviets don't like it." That applies as much, for instance, to continuing nuclear testing and expelling over one third of Moscow's United Nations diplomatic staff, as it does to clashing with Libya and arming the freedom fighters.

Some people in Washington are comparing this "two-track" approach to that of Mr Nixon before the 1972 superpower summit, when he resumed the bombing of Hanoi and mined Haiphong harbour while Dr

defines the new US rules of engagement: "American boys should not be seen dying on the nightly news. Wars should be over in three days or less, or before Congress invokes the War Powers Act. Victory must be assured in advance and the it from the outset."

That formula may fit isolated cases like Grenada and the Gulf cases like Grenada and the Gulf of Sirte. But such quick-strike tactics are totally inappropriate for solving the world's major problems like Southern Africa, the Middle East, the superpower relationship, or even terrorism. There have been no real breakthroughs on any of these since Mr Reagan took office.

washington's eyes — has resumed its place as number one superpower, and the Soviet form of appeasement for which the has criticised some of his care so much what Moscow's reaction may be. Indeed, it was widely noted in Washington compromise US interests for the came of smooth relations — a show up well in the new appearance of his compromise US interests for the sake of smooth relations — a show up well in the polls. But it is no for a coherent and foreign policy, and to indication that the evitable policy is the predecessors.

At home, Mr Reagan's critics have been put on the defensive by his Libyan exploit. Few was shown up well in the policy are coherent and foreign policy, and to indication that the evitable policy is the new appearance of the new appearan Conservatives may be cock-a-Conservatives may be cock-a-hoop over the new activism. It shows up well in the opinion polls. But it is no substitute for a coherent and effective foreign policy, and there is no indication that the events of the

Lombard

Drawing the line on cold calling

By Barry Riley

creation of a "shareowning democracy" through his promotion of so-called Personal tion of so-caned retsonal Equity Plans, he is not at all on the same wavelength as the Securities and Investments Board, the new financial ser-vices regulatory body.

New draft rules on selling to private investors, devised by the SIB and its offshoot, the Marketing of Investments Board Organising Committee (MIBOC), continue to draw a very firm line between life assurance and securities. The only substantial change from the existing practice is that unit only substantial change from the existing practice is that unit trusts have been given the same treatment as life assurance— a logical development when there is no longer a special tax advantage for life policies.

Participation |

Life and unit trust salesmen Life and unit trust salesmen are therefore free to engage in cold-calling—whether door-to-door or by telephone—to generate business. Securities salesmen, however, will continue to be banned from such tinue to be banned from such activity under the new regulations, as they have been since the 1930s. Indeed, they could be even more constrained than before, since they will now have to get investors to sign a customer agreement letter, which is renewable annually, before they can call.

These marketing regulations effectively guarantee that small investors will continue to have minimal direct participation in the stock market and will be sold pooled products instead. The marketing effect will swamp the minor tax reliefs offered by Mr Lawson to get Personal Equity Plans off the ground. The power of the life assur-

ance industry and the lack of interest by the Stock Exchange explains why the status quo is to be perpetuated in this way. Life offices and intermediaries Life offices and intermediaries would be in uproar if their traditional selling practices were choked off and few Stock Exchange member firms are really interested in hard selling to the general public, preferring more congenial and profitable ways of earning a living.

WHILE Mr Nigel Lawson licensed dealers which would appears to be attempting the seize any opportunity for cold friends in regulatory circles. But, at a time when the regulatory framework is being rebuilt, it would be better to decide whether cold calling is

or is not an acceptable practice and apply the judgment across the board without discrimina-All that Mr Mark Weinberg,

Mibot's chairman, will concede is: "Some years down the line, when stockbroking has changed its face, we might find it appropriate to change the dividing line." Apart from the fear of setting

loose teams of salesmen irresponsibly pushing Unlisted Securities Market and over-thesecurities market and over-ine-counter stocks, there are two arguments for banning securities selling through cold calls. One is that the products of life offices and unit trust companies are regulated by the Department of Trade and Industry. The other is that excesses perpetrated by cold callers are controlled by "cooling off" provisions which give investors 10 days—and in future 14 days—to have second thoughts about a life assurance

The same protection would be less easy with share purchases, because prices would fluctuate and buyers would effectively have a free 14-day option on the market.

Extension

However, it would surely be possible for the SIB to regulate the types of shares that could be sold — permitting market leaders but not OTC specula-tions. And the second problem of variable prices has been solved for unit trusts, so surely a similar approach could be devised for individual equities.

This is not a plea for the indefinite extension of cold calling. There are strong arguments for banning the practice altogether but if it is to continue it should not be controlled in a way which rigs the market artificially in favour of certain forms of investment.

Instead of devising intricate schemes in cahoots with the Inland Revenue, Mr Lawson would do well to examine this In practice, it would be over-the-counter operators and other to his "popular capitalism."

Profit sharing problems

Copeman Paterson Sir,—The Chancellor's pro-posal for using profit sharing posal for using pront sharing as a means of creating a flexible pay system is easier to apply in a country with generally higher profitability. If a company has profits equal to employee pay, then an incentive bonns of 10 per cent of pay absorbe 10 per cent of pay absorbs 10 per cent of profits. A lot of companies in Britain have profits of only about 20 per cent of pay. In this case a bonus equal to 10 per cent of pay absorbs 50 per cent of profits. Before considercent of profits. Before consider-ing, therefore, whether a flex-ible pay system can be intro-duced which goes down as well as up, we need to look at whether the profits can be generated in big enough quan-tities and shared on an accept-

able basis.

The problem of using the much profit for employee bonuses tan be overtone by varying the rate of profit sharing according to the level of profitability. The trouble with the boveryer is that if the with this, however, is that if the scale of payment for different levels of profitability is fixed, it will quickly go out-of-date in a rapidly changing economy and pay either absurdly high bonuses for poor results or ridiculously small bonuses for good performance. That prob-lem can be avoided if the scale is re-set every year. This, how-ever, leads to endless arguments between management and employee representatives, with the management being accus is based on self-adjusting norm principles it will be counter-

There should be a mixture of both cash and share schemes if firms are to be allowed to grow sufficiently out of reinvested profits. Employee shares are a stake in the capital of the business, as compensation for exercising pay restraint when a firm is successful, so that it can grow. Shares are the means by which employees can properly come in on a business success story without raiding the till, for the profits used to acquire new issue shares for employees are reinvested in the business tax free. George Copeman. 10 Buckingham Place SW1.

Personal pension plans

From Mr A. Hunter Blair. Sir,-Eric Short's article of March 22 is about the Chan-cellor's intention "to give personal pensions the same favourable tax treatment as is currently enjoyed by refirement

This, says Mr Short, will enable people to come out of

Letters to the Editor

their company pension schemes and take personal pension plans, and take personal pension filans, in order to benefit from pension mortgage arrangements now only available to the self-employed or those in nonpensioned employment.

Mr Short and other advisors tend to disregard the fact that pension-linked mortgages are also available to people in pensioned employment. There is no need for filese people to come out of their group company schemes. The loan is on an interest only basis, and is normally repaid from the contenuated lump sum available from per cent for compare with its 27.1 per cent European share. By muted lump sum available from an additional voluntary contrian auditions versifiery traiting the first personal pension contract set up alongside the group scheme. Most lenders will now restructure loans in this way, without an interest rate differential. Alister Hunter-Blair,

Battle of the

8. The Belvedere,

batteries From the Managing Director, Ever Ready

Sir. - I read with interes Sir, — I read with interest the informative European bat-tery industry article (April 1) by Christopher Parkes, but would like to put the record straight regarding those aspects that are incomplete and may be misleading as far as they felate to Ever Ready.

to Ever Ready.
It was suggested that even after Hanson Trust took over after Hanson Trust took over we were slow to respond to the alkaline threat. Prior to the takeover we had no home-produced product and in fact our Gold Seal alkaline was the first of the new generation of long-life hatteries, and was launched in October 1983, only one and a half years after the takeover.

takeover.

It was developed in two stages, and after the first stage was copied by our competitors, we improved it further in November 1985, allowing us to advertise the claim "Nothing outlasts Gold Seal."

As We Parker points out takeover.

As Mr Parkes points out, accurate market share figures are difficult to came by, but it is not our intention to avoid giving the invarinished truth. One assessment in 1985 shows Gold Seal share of alkaline in Gold Seal share of alkanne in 1984 as 20 per cent by value. Another report published in October 1985 shows our alkaline value shares as 7 per cent in 1983, reaching 20 per cent in 1984, and at 21 per cent last

The significant 74 per cent shares of total market held by

per cent European share. By contrast Ever Ready is brand leader with half the market. The reason that Gold Seal's share of sikaline is not larger is because we offer the consumer a choice. Within the Ever Ready range the best value battery for many applications is Silver Seal—a trade-off between life and price,
When our European businesses were sold in 1982 the
overall trading profit from them
was infinited with competition
intense and, as made clear by Burnham of Crouch, Essex.

your article, this continues to be the case. We have no regrets whatsoever regarding that deci-sion, and have benefited as we have been able to concentrate nave been anie to concentrate on the development of our profitable core business in the UK.
Ever Ready has become an infinitely stronger company during the past four years, and it is British.

R. J. Nevitt. 93, Burleigh Gdas, Southgate N14.

Financial Services Bill

From the Secretary and Chief Executive, Institute of Chartered Secretaries and

Chartered Secretaries una
Administrators
Sir.—None of us can be clear
as yet about where we are
going to stand with regard to
the regulatory arrangements
under the Financial Services
Bill, if only because the standing committee has scored a few points off the Minister and no one can be sure how the Act will finally emerge from both houses. Nonetheless, tribute should be paid to Mr Anthony Nelson's contribution in your issue of March 20.

As to whether, in the event, the country of the

we are getting a Securities and Exchange Commission or not, I suggest the simple test of looking at the Bill as amended in the standing committee, the regulatory bodies as they have emerged so far, and the first

instalments of possible regula-tions, and then asking what would be different if we had had an SEC by, with and from the company quango we look like getting as the Government's Hobson's choice. I suspect that, in practice, the actual regula-tory process in effect would differ very little. So be it. Opinions have indeed shifted with all that has happened since

the Contras in Nicaragua, the

Now that the US—at least in Washington's eyes — has re-

in a new direction.

the Parkinson/Stock Exchange deal and I doubt whether, outside the corridors of Westminster, anyone is greatly fussed with what has happened in the standing committee.

There are two matters, how-ever, which are the cause of serious concern to chartered secretaries; the very heavy bur-den of cost which looks like fall-ing on the shoulders of recognised professional bodies if we volunteer for the regulatory task and the fact that the Minis ter has taken powers to inter-fere with our disciplinary regu--something which every chartered body must regard as

If the financial burden turns out to be beyond what a pro-fessional body can bear in respect of a relatively small proif the Government is seeking to take from us the authority we derive from our Royal Charter. I fear we may be forced regret-fully to ask to be excused from public duty on this occasion. B. Barker,

16, Park Crescent, W1.

Efficient use of energy From Dr L. Brookes Sir.—I almost did not respon

to the plea by Mr Malcolm Bruce MP (March 24) to intensify measures to improve energy efficiency in preference to building nuclear power stations because I had become so weary of the never-ending stream of similar wrong-headed arguments. On reflection I thought this would be remiss of me so here goes.

There is no evidence that

using energy more efficiently reduces the demand for it. Past history and reasoned analysis beyond the Mickey Mouse level suggest the opposite. Ever since the Industrial Revolution, improving energy efficiency increasing consumption have gone hand in hand; and for a commodity to find itself in a world of more efficient use is for it to enjoy a reduction in

its implicit price Arguments like Mr Bruce's depend upon two falacies: a fallacy of composition (that what is true of a single case of energy use also holds for the economy as a whole); and a lump - of - energy - dependentactivity fallacy (that the amount of energy dependent activity in the economy stays fixed while the implicit price of energy

falls) 16 Inswich Rd

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FINANCIAL TIMES

Friday April 4 1986



Laura Raun explains why the Netherlands' popular Prime Minister is set for re-election

Lubbers is favourite for Dutch poll

historic turn in 1982 that took the Netherlands down the painful path of less government and more private initiative. The clearest winner is likely to be Mr Roud Lubbers, the popular Christian Democratic Prime Minister who has steered the treacherous course of retrenchment with bardly a scar.

The Christian Democrats look set to gain enough seats in next month's elections to put them in the comfortable position of choosing the most maileable coalition partner. That probably will be the rightof-centre Liberals with whom the Christian Democrats currently govern in a centre-right coalition. But the door has not been closed to the opposition Labour Party.

If elections were held now the ruling coalition would see its parliamentary majority shrink to a very narrow margin, with Liberal losses outweighing Christian Democratic gains. This vulnerability was re-flected in local elections on March 19 when the Liberals lost significant support while the centrist Christian Democrats remained about even and the opposition Labour Party scored big gains.

Nevertheless the Christian Democrat-Liberal coalition stands a better than even chance of continuing in office for several reasons. The most important is the enormous popularity of Mr Lubbers, who retains wide support despite cuts in Government spending and welfare benefits.

Another is the underlying trend of public opinion polls, which show the Christian Democrats gaining strength and the Socialists, the largest political party, falling back from a mid-term high. A third reason is the Socialists' political isolation due to their adamant opposition to the deployment of US cruise

The charismatic Mr Lubbers has

campaign as a simple race between himself and Mr Joop Den Uyl, the veteran labour leader who is viewed by many, even in his own party, as too doctrinaire and given to oldfashioned policies.

The Socialists may have erred in choosing Mr Den Uyl, 67, to lead them into elections for the sixth time instead of Mr Wim Kok, the up-and-coming labour leader and former union federation chief who has soared in popularity.

Given the choice between the dynamic Mr Lubbers and the didactic Mr Den Uyl, voters are thought likely to back the current Prime Minister.

Mr Lubbers' Government swept into power in 1982 on a three-tier platform of fostering economic prosperity through curtailment of the bloated public sector; slashing the budget deficit; and battling persistently high unemployment. The emphasis shifted away from how to share wealth and focused on how to create it.

Notable success has been achieved. Government spending as a portion of gross domestic product (GDP) has fallen for the first time in memory. The budget delicit as a percentage of net national income has shrunk to about 7% per cent from nearly 11 per cent. And the unemployment rate has slowly been pushed down to about 15 per cent from 18 per cent.

A general consensus has evolved that some form of austerity must continue following the rampant government spending of the 1970s when the public sector swelled to two thirds of GDP, one of the high-

concedes the need for improving public finances, which explains why the Dutch financial markets have remained calmer than many others would before a general election. The big question, however, is at

UK energy market. At one stage in

the recent negotiations it was argu-

ing for no increase at all this year.

The Government has agreed to a

per cent. This is thought to include

condemned by some consumer in-

terests because of the rapid slide in

oil prices. Prices paid by British

Gas for its supplies from the North

Sea are generally linked to the

price of oil through complicated "es

Partly for this reason the corpor

ation has been forced to cut the

price of supplies to those industrial

customers which have the ability to

switch to oil. Many of these gas us-

limited partners who thereby gain

Putting property partnerships in-

to bankruptcy was almost unheard of until Daseke of Stamford, Con-

necticut filed for Chapter 11 in

Houston a few months ago. More

such actions can be expected in the

result of rising unemployment and

Property analysts blame the glut

of apartments on the market partly

on the tax laws, but mainly on prof-

ligate lending by the newly deregu-lated thrift industry.

oil-dependent Sumbelt states as a

dwindling population inflow.

1-1½ per cent.

calation clauses.

Texas group files for Chapter 11

| LEADING DUTCH PARTIES | | | | | | | | | | |
|-----------------------|----------|---------------|----------------------|--|--|--|--|--|--|--|
| | 1982 gen | eral election | 1986 local elections | | | | | | | |
| | seats | % vote | % vote | | | | | | | |
| Christian Democrats | 45 | 32.2 | 31.2 | | | | | | | |
| Liberals | 36 | 22.6 | 18.8 | | | | | | | |
| Labour | 47 | 25 | 32 | | | | | | | |

what pace retrenchment should continue. The issue has been compounded by the looming problem of drastically falling state income from natural gas, the price of which has plummeted along with crude oil and the dollar. Gas revenue accounts for about 13 per cent of all Government income and the budget deficit could widen by 1 percentage point next year if no offsetting measures are taken.

The Cabinet is now drawing up the broad outlines of the 1987 budget and Mr Lubbers is calling for some FI 9bn (\$34bn) of savings through reductions in Government expenditure and tax increases for businesses and individuals. Ministry budgets would come under the knife again while companies would lose some tax subsidies and individuals would pay higher excise taxes on netrol.

The Liberals, undoubtedly with an eye on the polls, want no corporate or individual tax increases and propose to stretch out the necessary budget savings over several years so next year's reductions can be limited. The Liberals have long urged cuts in the Netherlands' high taxes, a position that would almost guarantee an electoral boost for a political party in any other country. But even that may not help the

Liberals because the Dutch electorate is so accustomed to heavy taxes and social security premiums Even the opposition Labour Party as the price for a lavish welfare system, that they fear lower welfare benefits more than higher taxes.

The Labour Party is advocating smaller Government spending cuts and bigger tax increases for the that industry will profit more from cheaper energy than private

The Socialists also are seeking a stponement of sweeping reforms of the social security system that would trim welfare benefits as well as the onerous premiums. Welfare recipients and civil servants. - who have seen their incomes stagnate in the past couple of years - can be expected to respond warmly to these

Incomes may emerge as the most significant issue in the election campaign, overshadowing an emotional debate over euthanasia. The Christian Democrats, who oppose the current Euthanasia Bill, have succeeded in postponing the issue until the formation of the next Gov-

Until recent years incomes poli-cies were aimed at "levelling," narrowing the differential between high and low incomes so the highest paid make only F1 29 a day more than the lowest. Now there is increasing talk of "de-levelling," or income differentiation, especially from the Liberal Party. The ques-tion is whether the Dutch want

The Socialists are focusing much of their attention on the low income groups in the hope that a grass roots rebellion against the austerity programmes will win votes. But the governing coalition, drawing vaguey on supply side economics, argues that chipping away at the budget deficit and unleashing the private sector will fuel incomes through economic expansion.

The high jobless rate should con-tinue to fall for the same reasons,

unemployment still at 15 per cent, the Labour Party is hitting hard at the coalition's failure to further reduce the number of jobless. All sides are paying lip service to the unemployment issue but in reality unemployment rarely hits a raw nerve because of the generous leve of unemployment benefits.

The underlying trend of public opinion polls offers good grounds for optimism among the Christian Democrats, who have participated in every administration since the Second World War. They have re-bounded strongly from their mid-term nadir and would now probably win one third of the 150-seat parlia-

The Liberals have suffered size able losses in electoral suppor since they gained a record number of parliamentary seats in 1982 on the youthful appeal of Mr Ed Nij pels, their party leader. But Mr Nij-pels' enthusiasm has suffered from inexperience and the most recent opinion polls show the Liberals los-

ing 10 seats, leaving them with 26. The Socialists, not surprisingly have strengthened their grip while in opposition and achieved an opinion poll peak of 63 seats last year compared with their actual 47. But the Socialists have watched their big mid-term gains dwindle to a modest seven seats as the party has dwelled on ideological issues that voters care little about, such as US

cruise missiles and nuclear energy. It is the Labour Party's stubborn opposition to nuclear cruise missiles that seems to block any coali tion with the Christian Democrats. Deployment of the 48 missiles already has been approved by the Cabinet and the Parliament but the Socialists are still threatening to renege on the US treaty providing for deployment if they enter power.

It seems now that the only chance for a centre-left government is if the Labour Party drops its

High noon for Woolworth

THE LEX COLUMN

Among consortium bids, the reconstruction of Woolworth must rank among the most remarkable of the Paternoster group had been told at the outset that they would be offered 10 times their initial investment only three years down the road, they would not have believed

Now that it has happened, in the shape of Dixons' 114bn bid for Woolworth Holdings, they will have the devil's own job deciding whether to accept.

Woolworth's share price has been looking for a bid for several weeks past. Indeed, those fortunate investors who only came in for the bid would nearly have doubled their noney over the last month.

But the Dixons shares have been unstoppable since they started rolling in the course of Dixons' highly ssful bid for Currys. Dixons is one of the very few retailing compa-nies of a size and on a high enough rating to be able to make this offer without courting any noticeable

dilution. More strikingly, Dixons' stock stands so high with the City at present that the prospect of doubling the issued capital served only to put 50p on the share price yesterday. That naturally levered up the value of the offer; Woolworth shares at one time almost breached 900p, before closing a mere 227p higher at

860p.

In short, the market is more than somewhat excited by the Dixons offer, but sees the chance of squee: ing a little more before it hands over 8m sq ft of the retail shopping space for making over into a series of home, leisure and entertainment stores - on a pattern that has yet to be disclosed in even the sketchy detail of last year's wonder-concept. the Galleria.

Valuation of convertibles is a matter of opinion, but since the Dixons convertible was presumed to stand at par when the underlying shares were 370p on Wednesday decent premium when the shares have moved up to 420p.

In any case, the offer cannot now be worth much less than 820p. To close the gap may not require all that much sweetening of the terms. The Woolworth defence is bound an admittedly minimal starting

management is vulnerably between

chairmen and has made no more

120

Woolworth

than a start at making money in the old Woolies chain. It will give the Dixons camp no trouble at all to make hay with the favourable changes in accounting policy that featured in Woolworth's recent preliminary statement.

If the two groups are valued on their record at generating consisteat growth from retailing, it is no contest; both are on implausibly high multiples, but the Dixons rating carries more conviction with the retailing experts. If either management could reap half-way sensible margins from the Woolworth turnover, there is enormous potential.

Shareholders are now being asked to decide which has the greater chance of success. Institutions that gave backing to a sevenyear experiment in 1982 will feel peculiarly torn.

Burton Group

Acquisition accounting has a habit of obscuring the true performance of a new subsidiary and yesterday Burton Group was disinclined to shed much light on the

Even the trading profits of Deb-enhams were kept a closely guarded secret so there was no chance of establishing what balance sheet provisions, if any, had evening, it would clearly attract a decent premium when the shares nue account and what the cost re-

most pedestrian. Yet the present day which saw the stores sector rise by almost 4 per cent.

ton stores is not surprisingly starting to tail off although an increase of 11 per cent on like for like space was still a little ahead of the indus-

try average.

The challenge now is to improve both sales density and gross margin in the Debenhams outlets. It is far to early to judge Burton's success in making dowdy old department stores an exciting place to shop but the policy of squeezing space to make way for Burton concessions seems for the moment to be meet ing with mixed results.

The group is also supporting an uncomfortable burden of debt - borrowings are likely to average at least £300m this year - and with capital spending of £110m projected for the current 12 months Burton will remain under pressure to make

Even allowing for the seasonality of the Debenhams business, the group should make £150m pre-tax this year – exactly double the six month surplus - putting the shares on a multiple of just under 20.

Reckitt & Colman

Yesterday's response to Reckitt & Colman's preliminary figures said more about the tightness of the London equity market than about Reckitt's success in selling lavetory cleaners at a profit. The figures themselves were fractionally ahead of expectations - profits were up 16 per cent to £123.4m pre-tax - but a couple of million in extra profits could scarcely have accounted for the addition of almost £100m to the group's capitalisation. The share price closed at the best of the day тр 64р то 900р.

Not that there was much to quibble with in the Reckitt statement. The Airwick acquisition has washed its face sooner than could have been expected a year ago and, with loss elimination still to be completed in Europe, could double its trading contribution to about £22m been clawed back through the revenue account and what the cost reductions charged against the acquisition had provided by way of incretion 37.4 per cent, leaving earnings mental profit.

But yesterday that scarcely Reckitt is still wheeling out new seemed to matter. The interim statement was fully supported by Mushroom air freshener looks a to talk about the record, which from the customary Burton razzle-dazzle sure winner in the US - and with a point can show compound growth at been a little disappointed to see the change markets the group might a rate that makes Dixons look al-share price unchanged at 348p on a make nearly £150m this year. That would leave the shares on a multi-ple of almost 15 which, in today's Volume growth in the core Bur-market, is scarcely extravagant.

British Gas to raise its prices by 1.8%

BY MAX WILKINSON AND DOMINIC LAWSON IN LONDON

BRITISH GAS is set to announce maintain its increased share of the price rises of about 1.8 per cent for domestic UK consumers later this

A final decision is expected to be next. It is already clear, however, average increase of just less than 2 that British Gas has successfully resisted demands by some "hawks" in the British Treasury for a much larger increase to fatten up the state-owned group in readiness for sale to the private sector in the

The Treasury has maintained that gas is underpriced in the UK in relation to the long-term marginal cost of North Sea supplies and in comparison with electricity tariffs. It would have liked prices to rise at close to the rate of inflation, or

about 4 to 5 per cent. Officials laying plans for the sale of the corporation would have welcomed such a rise because it would have increased potential profits. A higher base level of prices would have been established for the formula which will determine domes-

tic prices after privatisation. British Gas, however, has sought ers with "interruptible" contracts to keep price rises to a minimum, in

HALL Financial Group, the biggest

private real estate syndication com-

pany in the US, has filed for protec-

tion under Chapter 11 bankruptcy

laws on behalf of Hall-Texas Asso-

ciates, one of its 240 limited invest-

ment partnerships, Mary Frings

In a move similar to that made by

Balcor, the real estate syndication

subsidiary of American Express

which recently allowed a Houston

apartment complex to fall into fore-

losure rather than continue to

fund cashflow deficits, 35-year-old Mr Craig Hall has split his real es-tate holdings into a large number of

other for TWA security lapse BY OUR FOREIGN STAFF ITALY and Egypt yesterday ac- spelled in two different ways: Man- for an alleged attempt to plant a

cused each other of being responsi-ble for the failure in security mea-

Mr Oscar Scalfaro, the Italian Instanding charges which are likely erior Minister, said that a known to be cut in order to reduce the imterrorist suspect boarded the aircraft in Cairo and disembarked in lect improved efficiency.

This will be the first increase Athens, on the first leg of the airliner's journey. The man occupied the since February 1985, so British Gas place where the explosion occurred will be able to claim that on an anon the return leg from Rome to Cainual basis the rise is only about Even this increase is likely to be

Italian police said the explosive device, which tore a hole in the fuselage of the Boeing 727 as it was beginning its descent to Athens, was hidden under a seat occupied by a man registered under a name

Italy and Egypt blame each

The Italian allegations were bothy sures which led to the explosion in a TWA airliner over Greece and the arms of the sures which led to the explosion in denied by an Egyptian security official in Cairo, who said yesterday dent, hidden in a large pack of cigating the sure of the s

The official said that after the explosion, the Egyptian authorities checked the names of the passengers who had boarded in Cairo for Athens and Rome. "We had no suspicion about anyone on the list." The Egyptian official emphasised

that Rome was the final stop for the first leg of the flight and that Italian officials were therefore responsible for ensuring that no explosives were on board for the return

Italian airport officials said investigators believed the suspect could have been the same man wanted

bomb in an aircraft in December

checked in for an Alitalia flight from Istanbul to Rome. The suitcase, opened after

owner failed to turn up for the flight, was booked through for a Pan American flight from Rome to New York, the officials said. Before the TWA Boeing left Rome on Wednesday for its return

leg to Cairo via Athens it was cleaned and then searched by a private security company employed by the US airline, according to the Ital-

New fears on airport security, Page 2

Talks on new fibres deal open

BY ANTHONY MORETON IN GENEVA

DELEGATES from about 50 countries met in Geneva yesterday in under aegis of General Agreement preliminary talks on the renewal of on Tariffs and Trade (Gatt) textile Multi-Fibre Arrangement, which governs a large portion of tiles and world trade in textiles and clothing. liberalised.

July and will probably be extended another four or five years. The low cost producer countries are pressing the US and Western Europe for a commitment that the

The MFA expires at the end of Mr Kazuo Tekase of Japan

new MFA, which sets export quotas aimed at protecting the textile and clothing sectors of the developed countries, will be the last. So far neither had been willing to give

Most of the delegates, meeting round of Gatt, which would lead to a further liberalising of trade. committee, agree that trade in tex-

summed up the general consensus when he said "liberalisation is the basic ground on which we stand." note of ambiguity to the years."

The Americans are among the striction on developing countries leaders in calling for renewal of has become "utterly unrealistic," MFA restrictions, but at the same she said, and the credibility of the time they are committed to a new Gatt system is in danger.

At the same time that the MFA talks were going on the free-trade lobby group, the Foreign Trade As-sociation, made a plea for an end to trade restrictions on clothing and textiles. Mrs Edna Kavanagh, chairman of the association, said the MFA "must expire irrevocably But the position of the US lent a after another four, or at most, give

The imposition of this type of re-

Woolworth rejects Dixons bid

Continued from Page 1

15m square feet, and 60,000 employ ees. Dixons said it had been look-ing at Woolworth ever since the new management took over in October 1982 but it began a serious study a few weeks ago.

When Woolworth announced its reliminary results for the year to February 1 just over a week ago, Dixons decided to act. Despite an improvement in the figures, Mr Kalms said that Woolworth still lacked a successful retailing

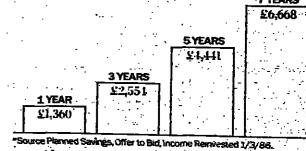
Woolworth stores moved from a loss of 55m the year before to a profit of £17.6m and total retailing, including the B&Q superstores and the Comet electrical stores, increased profits from £38m to £65m.

Dixons is offering 15 of its own shares and 16 4.3 per cent converti-

BRITAIN'S LEADING RETAILERS Retail space 7000 ft J. Sainsbury Marks & Spe Tesco 43,240 40,000 Dee Corp. Asda/MFI Grou 39.713 60,571° 67,687 52,667

both companies leapt yesterday in market expectations that Dixons hectic trading in the stores sector

on the London Stock Exchange. Dixons shares rose 50p to 420p to Warburg, which acted for Currys in ble preference shares for every 10 value its offer at 790p. Woolworth's its defence in 1984. Woolworth is adOur style is worlds apart.



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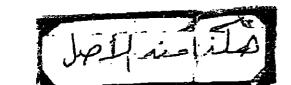
Our style of international fund management is different. We buy the shares that we want wherever they may be, regardless of the established international capital weighting. Our performance has benefited from some

aggressive positions, at times over 40% in one geographical area. The risks of such active manage-

ment can be great but, as you can see, so can the rewards.

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SECTION III FINANCIAL TIMES SURVEY

Vehicle Components

Rapid changes in the world motor industry are forcing component suppliers to produce on an international scale and in closer co-operation with the vehicle assemblers. The trend is to a specialist approach and heavy capital input to meet the assemblers' needs. Kenneth Gooding reports.

Surviving the shake-up

THE moter industry worldwide is only part of the way through a massive. Inpheaval. The changes have already taken their toll among the automotive component producers. Some have gone to the wall. Others have quit the business and are now concentrating on other products.

The pressures will continue for some years and the shake out will leave a reduced num-

agreement among the major component companies about the main trends in the industry today. They include: A move towards fewer but bigger contracts available to

suppliers;
• Closer association between suppliers and assemblers:
• Suppliers face very heavy capital requirements, and need the ability to operate inter-nationally.

New materials and products will replace some traditional ones—but it is difficult to pick the new "winners." An increasing demand by assemblers for packaged systems involving groups of components;

Assemblers are demanding

for some years and the shakeout will leave a reduced numorder to stand a better chance commitment cannot be expected
ber of larger-scale companies of recovering their enormous from a supplier if only shortinvestment in the new products,
Above all, the survivors must the assemblers have been the survivors must the assemblers have been the contracts are on offer.

However, the longer-term contracts will probably specify surviving in 1990.

Above all, the survivors must be able to cope in a truly integrated, global industry competing in a highly-competitive the number of models and the number of parts in those models.

Partnerships -

But contracts will be much higger. The suppliers who win the business will be awarded contracts for quantities unheard of only 10 years ago.

For this reason the assembly companies are moving toward closer relationships with suppliers, in some cases almost to the extent of forming partner-

the suppliers involved must be willing to invest heavily in research and development to stay competitive, but the combination of international competition and the magnitude of the magnitude of the magnitude of manufacturing-redesign

tracts will probably specify some locked-in price structuring as well, so suppliers will be more responsible than ever for cost containment and productivity improvements to offset any increase in the prices of raw materials, labour or over-heads.

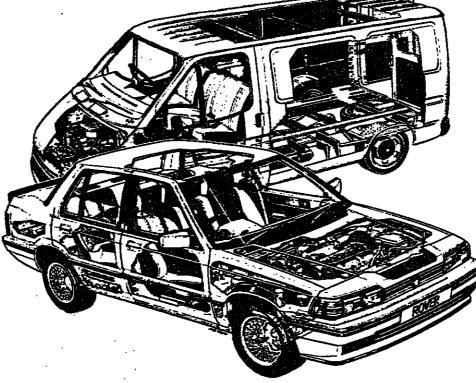
No one in the industry can ignore the fact that low growth in world-wide demand for vehicles is putting pressure on retail prices.

So assemblers are looking for better quality, more technical support and innovation from their suppliers—but at a lower cost,

In this context it should be remembered that the component suppliers contribute a significant part of any vehicle. Mostern are demanding costs is staggering.

Massemblers are demanding costs is staggering.

Mostern high-quality components and severely penalising supsiders which win the component of the ex-factory value phiers who let them down; tracts that are available will be of a car in Western Europe to Western assembly companies considerable. Contracts will list 70 per cent in Jepan.



vertical integration. Symptomatic of

assemblers' approach was the reaction of the Japanese car companies recently when the dollar fell substantially in value against the Yen and put margins against the Yen and put margins of profit under pressure in the US, their biggest export market. The assemblers turned immediately to their component suppliers in Japan and asked them to cut prices.

All this is putting considerable financial strain on the components industry worldwide, As Wr Endolph Stahl, executive

As Mr Rudolph Stahl, executive board member at Robert Bosch, points out: "The capital re-quirements needed in the near

In the US only General reliability will tax the com-Motors is lower than 55 per cent ponent industry rather heavily." because of that group's high Another essential requirement in future for the successful component supplier will be the ability to operate

internationally. "Our industry is interna-tional in scope and in charac-ter. Suppliers who don't underter. Suppliers who don't under-stand this won't be a part of it for long. Suppliers who don't adjust to this won't succeed," says Mr Edward Irving, seniorvice president, industrial systems group at United Tech-

Subsidiaries

pean automobile output cur-rently accounts for nearly 60 future for product development, per cent of worldwide producfor more flexible, automated tion. Vehicle makers on both
manufacturing facilities and for continents are engineering
the improvement of quality and their vehicles to be built any-

where in the world. They are going to reduce costs by mov-ing production to subsidiaries in other countries and by affiliating with foreign com-

"For suppliers planning to stay competitive, it is impera-tive that they go wherever in the world their major customers Automotive suppliers must able to sell components in the countries where car and their vehicles. Automotive com-panies of the future will have no national passport," Mr Irv-

To give some perspective to "North American and Euro- his remarks, it should be ean automobile output cur- pointed out that there are ently accounts for nearly 60 already about 30 automotive companies competing on an international scale. There are automotive assembly plants in

IN THIS SURVEY

Joint ventures: springing up fast Japan: setting up satellite plants Databases: close study of trends Engines: pressures for performance New materials: uses for plastics Transmissions: away with gear levers Tyres: struggling with over-capacity Electronics: increasing use of chips Batteries: tough fight among makers

Korea or Brazil.

Mr Ian Donald, deputy managing director of Guest Keen and Nettlefolds, maintains that the international supplier will have to use its financial and technical resources to establish itself in national markets either in its own right or, more usually, in some form of joint venture with a local supplier.
The supplier will trade its

technological advances in product and process to obtain a share in the national markets share in the national markets adhere to a "no-touch" period. snare in the national markets and so try to ensure that its design is selected for incor-poration into the "world" vehicle. He says: "It is an exer-cise fraught with risk but capable of significant pay-off if successfully accomplished."

Typical of the deals Mr Donald has in mind is the 50-50 joint company formed by SKF of Sweden with Koyo Seiko in Japan to produce and sell in Japan automotive bearings developed by the Swedish com-pany. This will enable SKF to break into a market which up to now has been exclusively sup-plied by domestic producers.

So far the traffic has been mostly one-way and Japanese component producers have been moving into North America and Europe to supply the Japanese car assembly plants being set up on those continents.

This tempts the assemblers towards the "world" car and truck concept where a vehicle is designed for manufacture and assembly in the major markets with main components drawn in volume from the cheapest and most effective sources of supply available—be it Western Europe, North America, Japan, Taiwan, South Korea or Brazil.

Car assemblers in particular are encouraging this trend because they prefer to link with suppliers they can trust and who can run their organisations like well-oiled machines. They want suppliers to use the latest methods such as statistical process control and "just in time" delivery—where materials and parts are denouraging this trend because they prefer to link with suppliers they can trust and who can run their organisations like well-oiled machines. They want suppliers to use the latest methods such as statisfications in particular are encouraging this trend because they prefer to link with suppliers they can trust and who can run their organisations like well-oiled machines. They want suppliers to use the latest methods such as statisfications like well-oiled machines. They want suppliers to use the latest methods such as statisfications like well-oiled machines. They want suppliers to use the latest methods such as statisfications like well-oiled machines. They want suppliers to use the latest methods such as statisfications like well-oiled machines. They want suppliers to use the latest methods such as statisfications like well-oiled machines. They want suppliers to use the latest methods such as statisfications like well-oiled machines. They want suppliers to use the latest methods such as statisfications like well-oiled machines. tical process control and "just in time" delivery—where materials and parts are delivered to factories only in the exact quantities and at the

times they are needed.

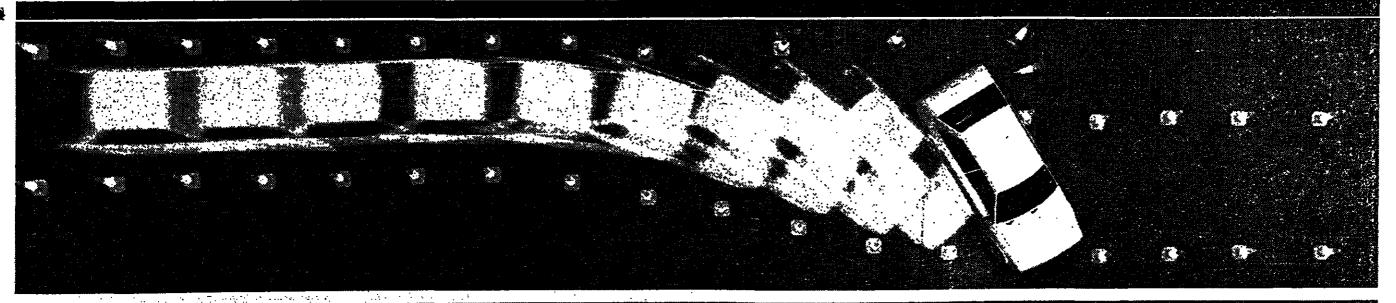
The "just in time" approach is proving difficult to put into practice outside Japan. To be able to act effectively, suppliers have to have some guarantees that orders will not be changed at the very last moment. But erratic demand in the car mar-ket and the large number of optional extras available for

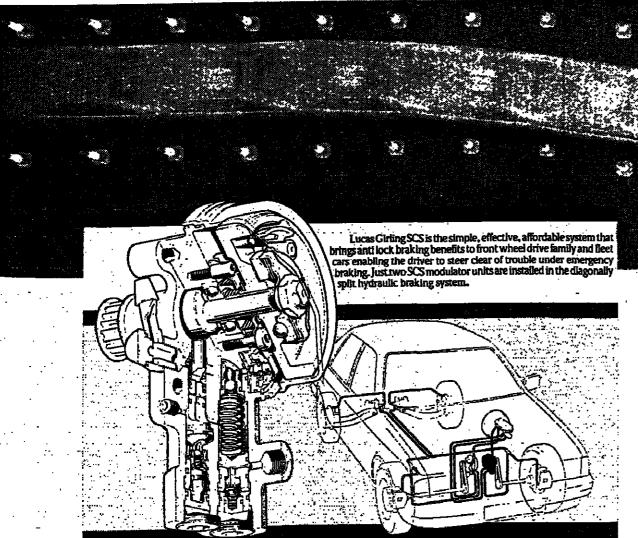
Inventory

The only way total flexibility of "just in time" supply can be offered is if buffer stocks are held by the supplier. This simply moves inventory from the assembler to the supplier and leaves no room for costs to be cut—which, after all, is the main object of the exercise.

Mr Rudolph Stahl, a member of the Robert Bosch executive board, suggests that if "just in time" is to work, close co-opera-tion between suppliers and asemblers is essential. Car makers should introduce as quickly as possible systems which allow a fast flow of information from sales to material

CONTINUED ON PAGE 2





Lucas is a name synonymous with vehicle systems and components. We are constantly and successfully achieving and maintaining technological leadership in automotive fields. This has given Lucas a leading edge in a rapidly changing worldwide market place. Our powerful commitment to research and development has led to the growth of a major network of international partners and customers ensuring that we have a leading part in tomorrow's key projects - just as we have in today's.

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A MAJOR FORCE IN INTERNATIONAL AUTOMOTIVE TECHNOLOGY



Projects springing up fast

Joint ventures

KENNETH GOODING

JOINT PROJECTS among autoare springing up at such a fast rate it is nearly impossible to keep track of them.

Component groups are being propelled in this direction by the rapid changes in the motor industry, which has turned into one in which companies need to operate on an international scale of manufacturing to have any chance of success.

For example, the Japanese car companies have only recently begun to move into North America and Western Europe with new assembly plants. They wish to take their traditional suppliers with them and sometimes the only vizole way for the suppliers to follow is viz joint ventures.

supply brake and fuel tubes to reached agreement for a joint established component com-Nissan in Eritain and will use company to produce in Japan a panies have been looking for multiple bending expertise sup- new generation of air compres- ways to justify the cost of

plied by Sano of Japan. Hoover Universal and Ikeda Bussan, a Nissan subsidiary,

corporate as much UK and European content into the Washington cars as possible so that they conform to undertakings given to the British Government.

Political pressure is also gradually forcing open the door to the Japanese market for Western component producers. The Japanese government, worried about the severe imbalance in automotive trade between its country and North America and Western Europe, has been applying that pressure.

As a result at least two sig-

The Nissan car assembly project at Washington, Tyne and already been proposed and Wear, in the UK has already more are almost certainly on the way.

jects.

TI Silencers has set up a 50-50 of the Nissan "family" of supcompany with Nihon Radiator to produce exhaust systems for the Washington factory and another TI company, Fulton TI, will General Motors of the US, have

units
The Japanese partner will

to produce seats and headlinings and supply most of the managefor the Stanza cars to be produced in the UK.

Kanto Seiki will supply tooling to NP Echo, a Courtaulds subsidiary, so that right-handdrive versions of the instrument panel can be made in Britain as well as the plastic bumper.

An added ingredient in these ventures is Nissan's need to incorporate as much UK and Euro-

Rights

As a first step, the joint com-pany will be given the rights in Japan to make clutch bearing units for manual gearboxes and freewheels (sprag clutches) for automatic gearboxes.

The aim would then be to

expand gradually to give Koyo increased access to certain technically-advanced SKF automotive products, thus giving the Swedish group a significant presence in the Japanese automotive industry. motive industry.

Before the Japanese government's recent intervention, SKF almost certainly would have had to settle for a licensing deal with a Japanese company to get its products into the Japanese industry in any significant numbers.

Elsewhere in the world, well-

sors for vehicle air-conditioning spreading their operations units through several major markets have established a joint venture take 51 per cent of the action for the Stanza cars to be produced in the UK.

The Japanese partner will even though their products are made in relatively low volumes and supply most of the management. And SKF of Sweden, the world's largest bearing on between Dana, the US group. For instance, talks are going on between Dana, the US group, and Zahnradfabrik Friedrichshafen of West Germany (commonly known as ZF) to merge their truck transmission opera-

tions.

If the deal goes through the two companies will set up a worldwide transmission partnership to be known as ZF-Spicer with annual sales of about \$50m and employing 9,500

people.

Dana-Spicer facilities included in the potential agreement are in Toledo, Ohio; Jonesboro, Arkansas; Knoxville, Tennessee; and Wolverhampton in the UK. ZF facilities to be transferred are in Friedrichshafen and Soracaba, Brazil.

The two companies' truck transmission products are almost entirely complementary and Mr Gerry Mitchell, Dana's chairman, said at the time the deal was announced:

"Dana gains access to a first-class product line which meshes nicely with its existing pro-ducts, basically without duplica-tion and the ability to manu-facture its products in Brazil and in Continental Europe where our European metamess where our European customers want them produced. ZF gains

Assembling lightweight truck transmissions at a new Spicer plant in Wolverhampton. Dana-Spicer's three Wolverhampton factories would be included in a new worldwide transmission partnership if the proposed ZF-Spicer agreement goes through

it difficult for the assemblers to earn enough to cover the cost of new product develop-

a marketing and manufacturing This should provide opport- transmissions.

position in North America and unities for component pro- Eaton will sell the transmistible UK which will benefit ducers who can offer efficient sions to other vehicle makers This should provide opport-

with this in mind, Eaton, the US transmission maker, has joined with Iveco, the Fiat heavy vehicle subsidiary which has facilities in West Germany and France as well as Italy, to develop medium-duty truck transmissions.

US. Rockwell CVC, now con-trolled by the US group, pro-duces truck axles at a highly automated factory in southern Italy and has won some outside customers. The most important is Ford of Europe which is to in the phase out its truck axle plant ness.

them."

The heavy truck market is ripe for joint ventures because demand has dropped by about half since the peak at the end of the 1970s, excess capacity is driving down prices and making it difficult for the assemblers.

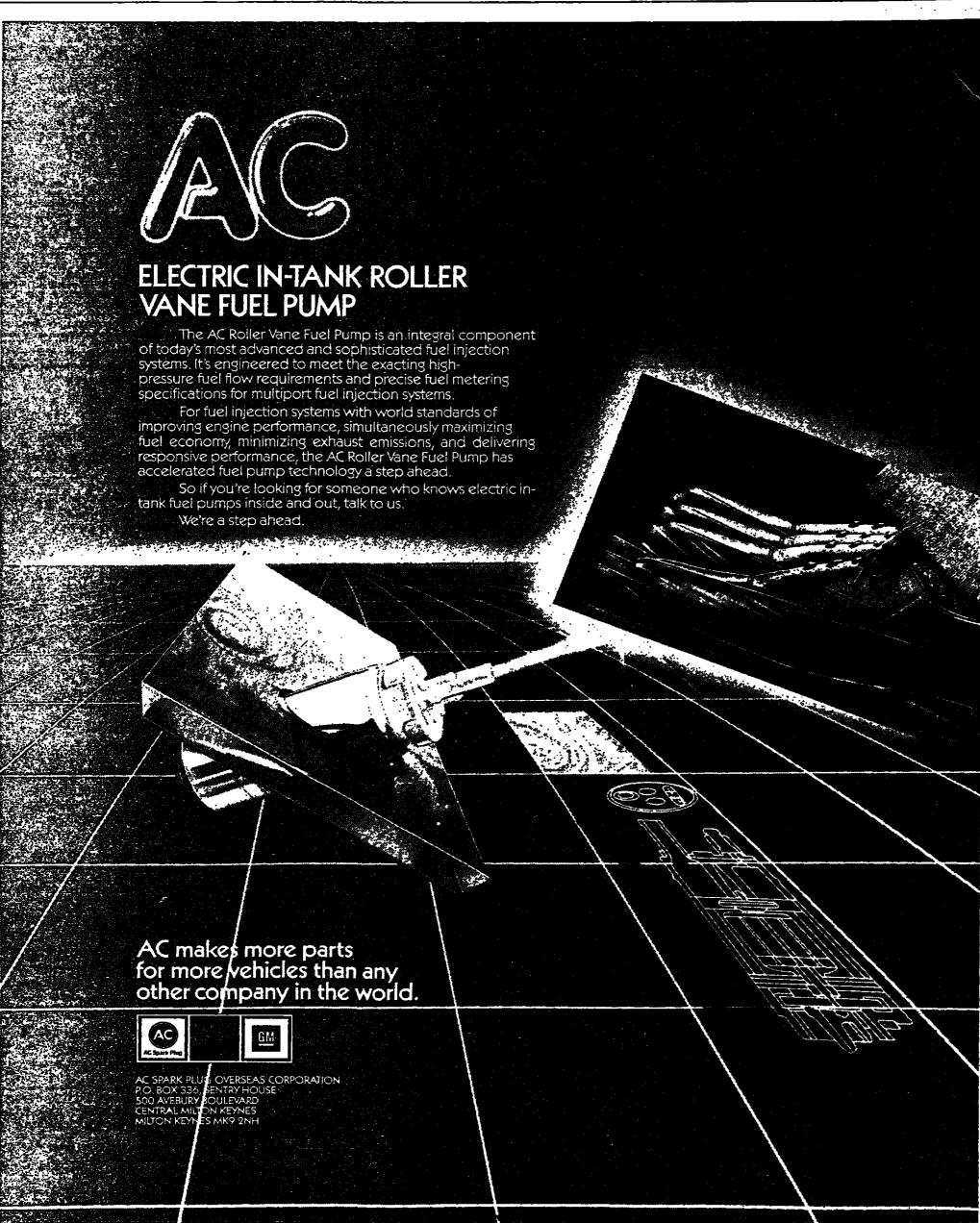
and high-technology products at worldwide if it can, thus substantially reducing the transmission's cost to Iveco.

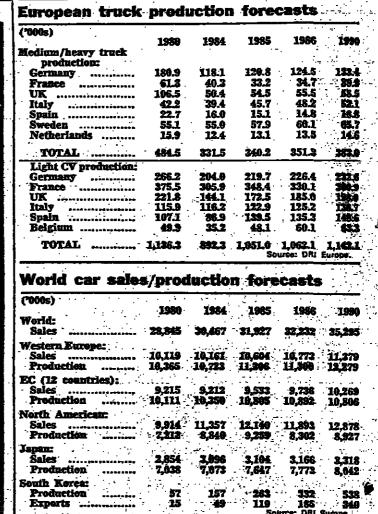
Similar thinking applies to Similar thinking applies to to replace its old arile production equipment at Langley but this time with Rockwell of the joined with Iveco, the Fiat it can, thus substantially reducing the transmission.

It would have cost Ford £10m mother Iveco joint venture, this time with Rockwell of the joined with Iveco, the Fiat it can, thus substantially reducing the transmission.

It would have cost Ford £10m mother Iveco joint venture, this time with Rockwell of the joined with Iveco, the Fiat it can, thus substantially reducing the transmission. that was out of the question. Ford will save more than 24m a year from the change and that is not an insignificant sum in the truck component busi-

Dana-Spicer's three Wolverhampton





Shake-up

supplier. "On the other side, the will also see rapid acceptance. supplier industry has to develop, plan and install highly flexible, computer-aided mann. In contrast, say the facturing concepts which allow researchers, there will be quick reactions on schedule changes with low inventories," he adds. Apart from costs, the

changes with low inventories," cluttenes, metal body stampings he adds.

Apart from costs, the to experience a contraction in assemblers are obsessed with sales to assemblers. Demand for traditional wiring harnesses will across the board. They have in adoption of multiplexing creased the suppliers' responsibility for maintaining quality with severe penalties.

Other surveys suggest that it with severe penalties for

fallure.

There are, however, carrots for the successful. GKN's Ian Donald quotes the example of the group's transmission plant in North Carolina which was recently presented with Ford's Q1 preferred supplier award for meeting the US company's stringent quality-control programme.

without any intervening inspec-tion.

"While this requires very tough quality and process con-trol in our own business, it leads to significant savings in costs, both for GKN and Ford, and I believe that programmes of this nature will be one of the important issues for vehicle builders and their supplier body in the future," Mr Donald says.

builders and their supplier body in the future," Mr Donald says.

Meanwhile, future planning for component suppliers is made doubly difficult because of the way the motor industry is rapidly absorbing new materials and products. This trend is attracting new companies into the automotive suppliers is to long-standing suppliers is to establish which new products or materials have long-farm potential.

Some of the future, who planning the found that graphs a heavier financial burden on the supplier but the commitment of the assembler, in terms of up-front funding, offers the security of a closer relationship and guarantees the risks will be shared.

This puts a heavier financial burden on the supplier but the commitment of the assembler, relationship and guarantees the risks will be shared.

This puts a heavier financial burden on the supplier but the commitment of the assembler, relationship and guarantees the risks will be shared.

The anti-lock braking system developed jointly by Lucas Girling and Ford of Europe is a approach.

And Mr Donald points out that GKN believes in the need

Some of the short-term changes can be spotted quite easily, however. The Frost and Sullivan market research group suggests, for example, that components likely to see aboveaverage growth are those in the electronic and fuel-injection

CONTINUED FROM PAGE 1 receive a boost from anti-lock planning into the plants of the systems, while continuously-variable transmission systems

In contrast, say the researchers, there will be decline for carburettors and clutches, metal body stampings

other surveys suggest that it will not be long before a vehicle's entire operation will be controlled exclusively by electronics. Current projections are that as a percentage of total vehicle cost, electronic components will reach 5 per cent by 1987, 10 per cent by 1990 and 12 per cent by 1992. In luxury cars, electronic systems could approach 20 per cent of their total cost by 1992.

stringent quality-control programme.

This means that GKN's their total cost by 1992 tousfant-velocity drive shafts are delivered straight from its plant to Ford's 'assembly line without any intervening inspection.

"While this requires very tough quality and process coonitrol in our own business, it leads to significant savings in costs, both for GKN and Ford, and I believe that programmes of this nature will be one of the important issues for vehicle makers to adapt the concepts to the assemblers' various requirements.

This puts a heavier financial but the

And Mr Donald points out that GKN believes in the need to concentrate on higher added value, higher-technology pro-ducts, capable of being developed and marketed as

He says: "There will be no place for low margin, low added value metal working in the port-

Satellite factories being set up in US

THE JAPANESE components industry has developed along different lines to its Western counterparts. It has remained, until recently, almost entirely domestically-based and has had little incentive to adopt multinational strategies of the type developed by General Motors and Ford.

It is not hard to see why Japan's vehicle makers once again lead the world in production volumes, and rely on their than manufacturers in the and vehicle maker. "In the West. Thus the Japanese come West, the manufacturer will ponent makers have been conjugate of the only commit to a supplier tent to concentrate their activities almost entirely within the best-price deal. In Japan. The supplier travers he has to he has to he to the control of the hest price deal. In Japan.

All that is now changing as they start to follow the vehicle makers to their assembly or manufacturing sites overseas. Japanese owned satellite component plants are already vehicle design, often having springing up around the Japanese car and truck plants in North America which are expected to be producing 1.5m vehicles a year or more well before the end of the decade.

Europe has trailed belied.

competitive and knows he will have the business when the business when the business when the production."

Thus Japanese suppliers were involved at the earliest stage of vehicle design, often having their regimeers at the manufacturer's plant and thus aware at an early stage of procisely how their components will interrelate in the finished vehicle.

"The issue of drawings and Europe has trailed behind North America, the world's largest and most lucrative vehicles market, as a desired base for Japanese vehicle assembly or production. But the engine driving the Japanese moves offshore — the fear of overt protectionist action—has already deposited Nissan in Spain, where it makes fourwheel-drive vehicles and vans, and brought two companies to the UK. Nissan's car assembly plant at Washington, Tyne and Wear, goes into production in July: Honda plans to use spare Austin Rover capacity to build

3 S

engine production and plans engine production and later, vehicle assembly, at the 360-acre site it has acquired at Meanwhile, Toyota is considering a European plant and its associate company, Daihatsu, is seeking a joint venture to assemble in Europe.

These developments present

assemble in Europe.

These developments present both opportunities and a threat to the European components industries, observes Dr Alan European content (excluding Martin, a director of the PA labour and other overheads) of Technology consulting group who has been making a special study of the sector.

Study of the sector.

Is joint ventures—indeed three have already been set up near two parts of the sector of the PA labour and other overheads) of the Bluebird car to be produced.

This may well give a new lasts of life to the local payment.

Japan : JOHN GRIFFITHS

to components in the East and West in four main areas: engin-eering practices, engineering source location, "just-in-time" supply and quality.

Apan. the supplier knows be has to be.

All that is now changing, as competitive and knows he will hey start to follow the vehicle have the business when the nakers to their assembly or vehicle is in production."

"The issue of drawings and engineering releases to a supplier is often a mere formality." As a consequence, Japanese suppliers could provide prototype parts far more quickly than in the West.

It is this process, suggests Dr Martin, which explains why Austin Rover's launch of its version of the executive car de-veloped jointly with Honda is to take place in the summer, six months after Honda's has gone on sale.

The odds are also stacked against European suppliers in that most components in North American or Europeanassembled Japanese vehicles will have been developed in Japan, so that a European supplier, for example, could not tool up for a part without un-dertaking a significant amount of engineering bimself.

A seemingly obvious answer is joint ventures indeed three

is that the joint venture companies, from their secure supply base, would almost cer-tainly seek business in other areas traditionally enjoyed by ndigenous suppliers.

This has not prevented UK and Continental suppliers from gaining business in their own right. Indeed Mr Ian Gibson, purchasing director for Nissan's UK plant, has been very complimentary about suppliers it has signed up, including Lucas, Triplex, Dunlop and more than a dozen others. Nor has Nissan been anything

Nor has Nissan been anything like as insistent as had been feared, particularly in the UK component industry heartland of the West Midlands, about suppliers setting up right on its doorstep to provide a replica of Japan's famed "just-in-time" component delivery systems. component delivery systems, under which car plants have component buffer stocks of as component buffer st

And, after subjecting each supplier to exhaustive quality and reliability testing, Mr Gibson has made clear that his suppliers, at least, have been fully able to meet particularly stringent Japanese standards.
For all that, Nissan's
suppliers represent only a very
small sample of the European industry. How others react to the heightened competiton will be crucial. "They either adapt,

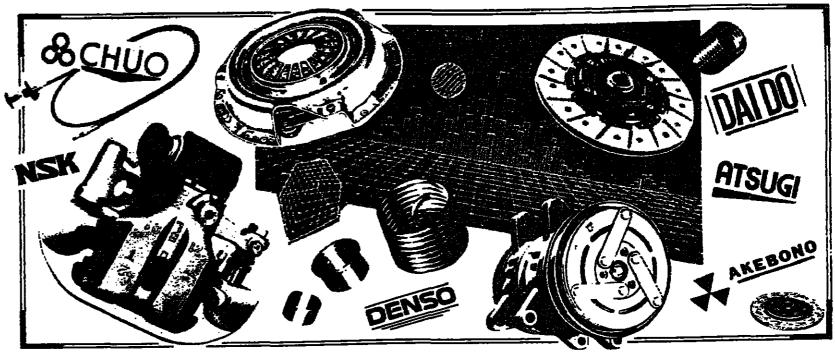
or they die," Dr Martin observes

simply.

The Japanese component industry's growing presence in North America has already set alarm bells ringing, Ms Candace
Howe, United Auto Workers'
Union economist, told a convention of the Society of Automotive Engineers that the
Japanese-owned vehicle plants in the US would still rely heavily on imported com-ponents, with a typical "trans-plant" factory providing only about 5,450 jobs directly and indigenous component

suppliers.
This compared with 21,800 for a similar-sized but American-owned facility. All the Japanese operations combined would provide only about 82,000 jobs.

A survey by one securities firm showed at least 26 Japanese which way the balance tilts, he suggests, will depend on how well European suppliers understand and adapt to the fundamental differences in approach tition for other indigenous companies to be setting up in the US, either independently or in the form of joint ventures. And they want to supply GM, Ford and Chrysler as well as Lapanese vehicle makers.



Japanese component makers and their products are not well known in Europe and the US but are likely to become increasingly familiar as component plants follow the vehicle makers abroad

Powerful means of studying trends

Databases JOHN GRIFFITHS

IN THE PAST 12 months, powerful new tools have been emerging for motor component manufacturers in the form of comprehensive databases.

Their formats, and the means of accessing them, differ. But their common ground is that they provide the means of taking much of the guesswork, or time-consuming number crunching, out of identifying trends in the types and volumes of components supplied to vehicle-makers around the

They provide the basis for calculations by component manufacturers of likely demand for replacement parts as well as original equipment.

Several are from the PRS consultancy group, one of which —to be launched formally in May—is taking the form of a joint venture with the UK's Society of Motor Manufacturers and Traders. Another is from another UK-based consultancy areas. group, James McArdle & Asso-

PRS's software-based systems mercial vehicle production of have been set up to provide 3 European manufacturers. But, detailed breakdown of the says Mr McArdle, a cars data-constituent parts of motor base is well advanced, North vehicles produced worldwide. American manufacturers will be the strategy of DRS is to added later this constitution. The strategy of PRS is to produce virtually an "encyclo-paedia meccanica" of vehicle content, making it possible for

SMMT. Autopare, initially is which the user is linked directions and focuses on to the mainframe computer. "It means." says Mr McArc duction, stretching over at least "that you access it anywhere in the past 10 years. It should thus the world, 24 hours a day with be of particular interest to component makers supplying the puter. aftermarket

managing director, says the to show, over a five-year rolling databases are providing useful period, manufacturers and their the system has been among means for component makers

The McArdle database cur- these.
rently embraces only the com- So

American manufacturers will be added later this year, and Japanese statistics will not be far behind.

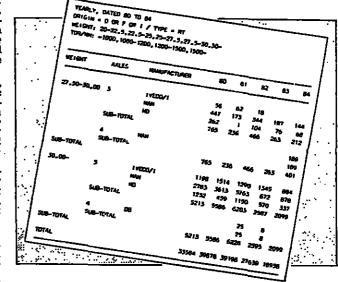
Three years in development, the database is notable for the detail in which vehicle produccomponent makers
trends.

For example, it is easily possible, by examining four years' is described in terms of some statistics, to track how fuelinjection systems have grown at the expense of carburettors, or market penetramarket penetrama engines. wants to know; and for being
Its joint venture with the an on-line, interactive system in
SMMT, Autoparc, initially is which the user is linked direct

> " It means," says Mr McArdle, a telephone and a microcom-

ftermarket. It is possible, as just one Mr John Martin, PRS group example, to ask the database

So far, the main take-up of tions.



country of origin of commercial multi-national component produmeans for component makers to identify weak spots in rivals' wehicles defined by the number careas, allowing them to of axles, vehicle weight, torque the main uses of the system as target geographically precise or power output, or cubic capacity—or a combination of marketing and pricing negotia-

Sample table from the McArdle database. The user had asked it to identify producers of rigid trucks defined by weight and categories

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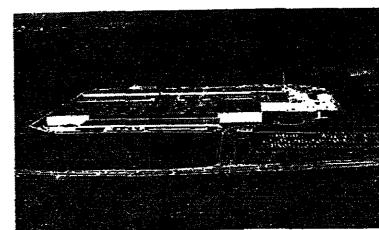
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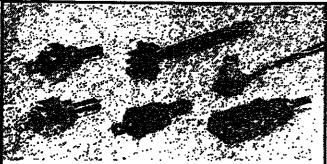
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Greater performance and better economy

Engines and fuel systems IAN ROBERTSON

RECENT DRAMATIC changes in both engines and fuel sys-tems are the culmination of pressures from several different sources: First, severe competi-tive pressure has accelerated the drive to improve fuel effici-ency. This can be measured by both improved performance and greater economy.

Advanced electronics in engine management systems and improved manufacturing techniques have also played a key part. Added to this stiffer provisions on exhaust emission standards has forced through related technical developments which centre on refinement of the "lean burn" principle, and improved combustion tech-

Taxation anomalies have had an impact. In Japan, for example, sales of midget (up to 550cc) vehicles accounted for 13 per cent of last year's market. They enjoy reduced luxury and weight taxes as well as doing away with the need for a garage certificate.

Their popularity has earned for specialists such as Suzuki and Daihatsu a world lead in small engine technology, yet outside Japan these vehicles are comparatively unknown.

There is continued pressure to reduce the size and weight of componentry—which has speeded up the exploration of alternative materials. A drive to cut back further on routine servicing requirements has brought new technology to bear on ignition and filtration.

And, not least, there is an unrelenting pressure to hold down production costs. With tooling and development on a new engine costing up to £200m, this is encouraging a more co-operative approach by the vehicle manufacturers as well as speeding up the use of advanced manufacturing techniques, exemplified by Fiat's latest FIRE (fully integrated robotised engine) project.

Compared with the mid-1970s, today's engines are smaller and lighter and considerable gains in fuel efficiency have already been achieved. A modern 1300cc engine now offers the performance of a typical two litre unit of ten years ago. More use is made of alumi-

fied. This reflects advances in veal weak points.

castings to be made in iron, As a result cast iron cylinder blocks—with their worthwhile reduction in noise transmission —are now as light as aluminium blocks.

At the same time there have been advances in the technology for making connecting rod bearings. More sophisticated alloys incorporating copper and nickel have taken over from the old ceramics designed not just to lead variety, giving significant withstand combustion temperagains in working life. Two-ring pistons have been developed number of components to be

June

July

October

November

The Financial Times

proposes to publish during 1986 the following Surveys

MOTOR INDUSTRY

which provide valuable savings in compression height as well as weight and mass.

In the UK, the Rugby-based AE group has developed pistons which offer a 30 per cent saving in weight. This permits similar reductions in both the thickness and weight of compactive ways and weight of compactive ways.

and weight of connecting rods. It also eases the load on the bearings and reduces friction losses.
There has been a move to

overhead cam design with fur-ther reductions in weight and improved efficiency. In the Austin Rover line up, for example, only the Metro's A-series engine now uses pushrods.

Electronic ignition is now widespread. The first move away from contact breakers took the form of transistor-assisted contacts which effectively acted as a switch offering extended working life.

The next stage was to dispense with contact breakers altogether. This took place with the advent of fully-electronic ignition control which first arrived on family cars five or six years ago; now programmed ignition is being phased in on family cars such as BL's

Microchip

The system uses a microchip which retains a three-dimensional map of the engine in all its operating phases. Sensors are located at 200 points to cover variations in vehicle load and speed and the microchip and speed and the microchip adjusts to an appropriate ignition setting.

The system used by Austin Rover was developed in conjunction with Lucas, and it is particularly in this field of electronics—along with bearings and pistons—that independent component suppliers have the biggest part to play. More and more the specialist indepen-dents are being brought in at an earlier stage in the process of component development. In the electronics sector in par-ticular they are being charged with the development and supply of complete systems.

However, where these advanced systems are taken up by the vehicle manufacturers in

volume-selling cars had fuel in-jection as standard. In 1985, about 20,000 of the 157,000 Escort models sold in the UK were fuel-injected including 20 per cent of Orions; plus more than 50 per cent of the new Granada models. Originally, fuel-injection was limited to high-performance models, but as costs have fallen injection systems have been progressively phased down-market with the additional goals of improving economy and emission control.

A further stage in this deve-lopment will be seen in a "throttle body injection" system to be featured on the Rover 800's new M16 engine. In this system the workings of the carburettor are dispensed with and replaced by one injector in a venturi-effectively a super high-tech carburettor-which high-tech carburettor—which allows better control of fuel usage and improved emissions. As more and more models have become equipped with injected engines, however, some vehicle manufacturers have

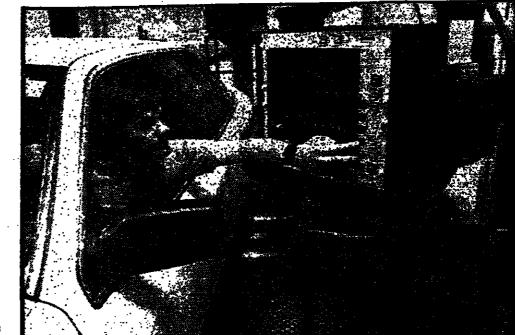
become noticeably uncon able at their growing depen-dence on outside specialists. Recently Volkswagen developed its own Digifant fuel injection system for the super-charged Polo—an important break from total dependence on Bosch. Toyota is also taking over from Nippondenso the production of electronic computer units, a major component in fuel injectors, and there could be more to follow.

By the end of this year, BL, with the co-operation of Per-kins, expects to be able to offer its first direct-injection diesel engine for a passenger car,

Originally Ford considered it impractical to direct-inject any diesel engines below its four litre truck unit. In stages, however, the technology has been phased down its range to the 2.5 litre Transit, although a high-speed system for a passenger car remains some way

In total, diesel cars now account for almost 15 per cent substantial volume, the risk of the 10m passenger cars sold arises for the suppliers that in Western Europe and further

Aluminium and plastics



Testing an engine at Ford's research centre: The driver sets up a visual display unit with the

growth is forecast, in contrast Escort/Orion, and there are to the US where the major manufacturers have reduced their diesel car programmes. Progressive refinements, the 1987. addition of turbo-charging, faststart systems and favourable emission ratings have helped to overcome user resistance along with increased availability. However, the outlook for con-tinued progress must be tinued progress must be weighed against considerable

advances in the economy of petrol engines. Ford estimates that advance in lean burn technology should enable the company to meet forthcoming European regula-tions on exhaust emissions for the up to two Etre category.
Advanced piston technology
and modifications to the combustion chamber permit a leaner air fuel mixture.

Compared with the 12:1 ratio of a standard engine, the company's first-generation lean burn units reached 16.5:1 in the 1.3 litre Sierras of late 1984, Second plans to advance this to 22:1 in a third generation series due for production at Dagenham in

Among the alternative materials on offer, Ford has developed a plastic manifold for a car petrol engine but at the moment the potential for plastics appears to be limited to non-moving parts such as cam covers and filters. Plastics technology does not yet extend to tolerance of high operating temperatures within the engine. Carbon fibre conrods have been developed and are already used in Formula One racing engines.

Ceramics

Japanese manufacturers are in the forefront of the development of ceramics. Nissan has already produced a ceramic engine and production turbo-charged models are equipped with ceramic rotors. The first appeared in Nissan's 300ZX in conjunction with NGK Spark Plug Co and NTK Insulators, and offers high thermal strength and reduced mass with a substantial reduc-

But ceramics are expensive (though on increasing number of applications could bring prices down by as much as 50 per cent in the next few years) and their durability has yet to yolume production and ease the be fully tested. Ceramics are way towards a greater interespected to appear progress change of engines between the sively in different components; vehicle manufacturers.

among the forerunners.
In the immediate aftermath of the oil crisis, US engineers headed a widespread investigation into cylinder cut-out arrangements on gas-guzzling V8 engines in an effort to reduce consumption, but continued friction losses have undermined the achievements so far. In Europe, Ford has been testing a three-cylinder cut-out on a six cylinder engine for the past two years but several other manufacturers have already abandoned this

Indicative of the next generation of engines, BL's future K-series unit will be fitted to the Metro replacement at the turn of the decade. It is to be an all-suminium overhead-cam 1400 cc engine, which BL claims is the lightest ever produced, incorporating advanced lean burn technology. In a radical move all the plumbing will appear as copper pipes on

the outside of the engine.
New mass production techniques will be employed including flexible manufacturing systems. Instead of the transfer line approach produc-ing one cylinder block from one end to the other, as on Fiat's FIRE programme, engines with rate programme, engines with common bore centres, but varying capacity and even with a different number of cylinders, will be produced on the same line. This will substantially increase the potential for volume production and ease the

given more uses heads, although the all-out move towards aluminium in the 1960s and 1970s has been modicasting techniques and im-proved stress analysis using computer-aided facilities to re-THE STEEL CONTENT of diminishing slowly, in favour of Together, these developments mainly plastics in many forms, um and its alloys.

Such materials are encroaching, too, into parts of the vehicle's stressed structure lightweight reinforced plastic springs and other suspension and steering components.

Even within the hostile climate of the engine's combustion chamber, new materials are being developed, in the form of

New materials JOHN GRIFFITHS

increased in pursuit of engine efficiency and economy.

The Japanese motor industry is now among the most active in new materials research, and Nissan's executive vice president, Mr Yutaka Kume, fore-casts that by 1990, the propor-tion of traditional steels within the typical car will fall from 75-80 per cent by weight now to about 60 per cent.

Nissan itself has been explorng a number of new materials applications. These include: A barium titanate raindrop sensor, mounted on the wind-screen wiper. It detects rain-fall intensity, relates it to vehicle speed and controls inter-

mittent wiper operation to suit; Carbon fibre-reinforced plastic propellor shafts, which save weight and provide better sus-pension of driveline vibration compared with steel: High-performance plastics for items such as engine rocker

covers and seat frames; Plastic fuel tanks, of up to

five layers of polypropylene and nylon, which can be moulded in more complex shapes than steel to allow greater passenger Ceramic turbocharger rotors

Ceramic turbocharger rotors, made of silicon nitride, which through lighter weight is claimed to reduce the notorious turbo "throttle lag" by 30 per cent, as well as being more resilient to the high temperatures of the exhaust gases which drive turbos: which drive turbos;

Another ceramic-silicon nit-ride and zilconia—to coat the surfaces of rocker arms where they activate the engine valves thus reducing the wear to which they are becoming increasingly prone as the result of a widen-ing move by manufacturers towards multi-valve, high-speed

Rocker arms themselves are being developed in glass fibre-reinforced plastic, with carbon fibre-reinforced plastic tips;

Silicon nitride / carbide ceramic combustion chambers for gas turbine engines, which Nissan believes could well supersede conventional diesel or petrol engines in some vehicle applications. And more novel items, like shape memory alloy components for use in a cooling fan brake system (they "remember" their formed shape, expand when heated via an electric current and exert siderable force in returning to their original shape. The process is almost instantaneous, and wide applications are envis-aged for lightweight windscreen wiper "motors," central door locking and other features). Nissan is not alone, of course.

in developing ingenious applications for such materials. The research and development operations of European manu-facturers and their suppliers

Steel producers, however, are not about to yield any ground fight. The majors are develop-ing ranges of high-strength steels capable of meeting manu-facturers' requirements for weight - saving without diminished strength.

Austin Rover, meanwhile, is one of the most pressing advo-cates of an entirely different approach to car body produc-tion, entailing the bonding of an aluminium frame to which would be attracted also by would be attached—also by bonding—body panels moulded, from plastic.

from plastic.

A process for volume production of cars using this process has been patented—but even Austin Rover admits it would be well into the 1990's until such processes could be widely used, not least because of the need to amortise conventional existing capital emintent. existing capital equipment which would become largely re-

Fuel saving

Other European producers, like Fiat, also see this as a likely approach of the future—it was one of the first companies to produce a prototype embody-ing the concept.

ing the concept.

And Austin Rover, which drew on experience gained with its own ECV-3 concept car of the early 1980s, has done research indicating that the fuel saving enabled by such light vehicles (which can use smaller than normal engines) would allow "whole life" running costs cheaper than normal cars, even though the initial purchase price might be marginally more expensive.

expensive.
The manufacturers of Japan are not sure. Certainly Mazda for one is making increasing, but selective, use of aluminium —but mainly in stressed compo-nents such as suspension com-

But the Japanese industry has a perhaps more jaundiced view of both plastics and aluminium than manufacturers in Europe or North America, Plastics are oil-based, and a high total energy input is required to produce aluminium compared with steels. Japan imports all its raw materials and its energy costs are exceptionally high. Electricity is particularly cheap in North America, and Europe

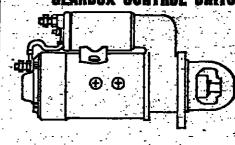
So it is possible, that despite Japan's intensive new materials research efforts, it may end up being slower to introduce them than in the West.

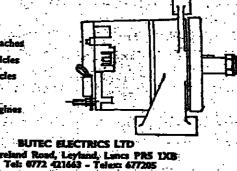
But as one research scientist commented on at a recent



BRITISH MANUFACTURERS OF: HEAVY DUTY STARTER MOTORS AND ALTERNATORS

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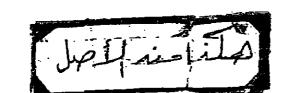
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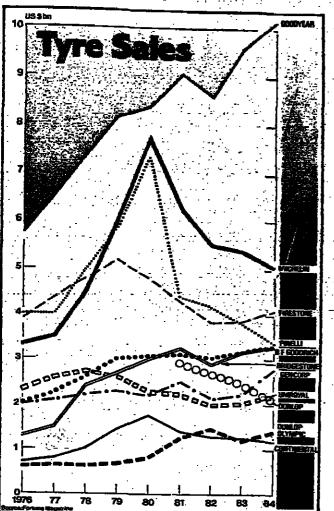
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The world's major tyre makers had combined sales of about \$40hn in 1984 (figures include non-tyre products). The industry is thus very large, but remains relatively static as a result of the introduction of longer-life tyres.

Difficulties of

e C E S L

aggravated the decline in by the long-lasting radial.

Also, car makers modified their tyre policy. After years of trying to fit the smallest and cheapest tyre to high-volume cars for economic reasons, they began over-tyring cars to enhance customer appeal. Naturally, the bigger tyres

and further afield have had a growing impact in the replace-ment market. A worrying trend for European makers is the decision by two German car makers to use Bridgestone makers to use Bridgestone tyres from Japan as original equipment on specialised models. Audi, which will use a Bridgestone tyre later this year as 100 per cent original equipment on its turbo Quattro coupe, is also talking to Yokohama of Japan.

decided for financial reasons to

Germany's largest tyre maker, now has under its wing Uninow has under its wing Uni-royal's European tyre produc-tion side and Semperit, the Austrian tyre maker. Ceat is controlled by Pirelli and Kelber by Michelin, which always had substantial minority share-

Other minor league tyre com-Other minor league tyre companies still leading a separate existence and surviving by niche marketing to both original equipment and replacement customers include Avon (the only all-British tyre company left). Vredestein of Holland, Askim (Norway) and Nokia (Finland). Their ranks have thinned in the past decade. Who now remembers Metzeler or Phoenix tyres from Germany. or Phoenix tyres from Germany. or our own Henley, John Bull

The small, and some not-tosmall, makers were swept out petitive pressures that led to

Almost without exception, viving in its own right has shed years in not always successful to make it under licence.

Doing away with the gearshift lever

vehicles are moving towards a future in which the familiar gearshift lever could become obsolete.

obsolete.

By early next year, long delayed and after encountering more production engineering difficulties than were anticipated, the first cars to use a modern development of DAF's continuously-variable transmission are expected to arrive in the market.

On the commercials front, the AMT (automated mechanical transmission) now in an advanced stage of development by Eaton, the US-owned multinational truck components pro-ducer, holds out the prospect of drivers being able to operate even the heaviest trucks, with 12 gears, by means of a simple control resembling a current car's automatic gearshift and with no manual clutch.

Ford is now firmly committed to the CVT car transmission, which will be known as the CTX when it goes into production at Ford's Bordeaux plant later

Ford's Bordeaux plant later this year.

It will require drivers to accustom themselves to sensations behind the wheel entirely different from those experienced with manual or conventional automatic transresision. For the CVT is designed to allow the engine to operate almost continuously within its most efficient range in terms of revolutions per minute, with the

Transmissions JOHN GRIFFITHS

transmission being left to change road speed via a system of steel belts and pulleys.

But for the steel belts, the transmission would probably have been in use two years ago. The belts are the key component but they have proved exceptionally difficult to engin-eer for volume production. Ford

says most of the problems now appear to have been beaten.

The CVT to be built at Bordeaux is not exclusively a Ford development, but involves a licensing arrangement under which the Ford transmission will be built around expenses.

Licences for the system have frequently.

Motors is working on one for larger-capacity cars, also using the van Doorne principle which it has said would be built at its Strasbourg plant

Despite its promise of being both easy to operate and offering better fuel economy and performance than conventional manual or automatic cars, the transmission is not expected to take new car marke's by storm. Initial production is likely to be in small volume dictated by a still-cautious approach to the durability of the all-important drive belts. drive belts,

Behind the CVT lies a complex saga of troubles confronting van Doorne's efforts both to develop the system and bring it into production at van Doorne's own facilities in Holland.

which the Ford transmission will be built around components from Doorne, the Dutch transmission maker which originally developed the system for DAF cars—but using rubber drive to produce a durable system suitable for mass production has taken it into deep financial trouble and seen the structure of its shareholdings change

Two new Eaton Corporation heavy truck components: the 13.44 bypoid drive axle (right) for vehicles up to 44 tonnes gross weight—axles with single reduction gearing and an optionally available differential lock—and (left) the new 4 x 3 twin-splitter transmission

on the commercial vehicles lever to move through 12 for-front, Eaton regards its AMT ward speeds. It is worked in unit as the third stage of a development programme which has already seen the emergence with the continuous control of the through 12 for-ward speeds. It is worked in conjunction with a three-position selector and adjustment of the through 12 for-work programme with the continuous control of the through 12 for-work programme with the control of the through 12 for-work programme with the control of the through 12 for-work programme with the control of the through 12 for-work programme with the control of the through 12 for-move through 12 for-conjunction with a three-position selector and adjustment of the through 12 for-through 12 for-move through 12 for-move through 12 for-development programme which has already seen the emergence. of a "rein splitter transmission" with the the first product of a completely new range of transmissions and axies designed for An in

with the system have covered well over 12m miles during An intermediate development

which now has 27 per cent. The remainder is held by Fiat.

The three shareholders are injecting FFr 150m into Van Doorne to see it over the last production hurdles.

One the commercial rabiales to move the now the commercial rabiales to move the now the now has 27 per cent. The vehicles between 3.5 and 44 semi-automatic operation. The driver signals his requirement for a particular gear by pushing the lever backwards or forwards. Clutch and throttle four movements of the gear operation is electronically controlled during the shifting prooperation is electronically con-trolled during the shifting pro-cess. The only time the driver makes manual use of the clutch is when starting or stopping. The advantage of the system, says Mr Keith Parmee, director of engineering, is much reduced effort by the driver while still

effort by the driver while still leaving him in control of the

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over-capacity

Pioneered

Tyres STUART MARSHALL

over the past decade, Europe's tyre industry still suffers from over the past decade, Europe's tyre industry still suffers from over-capacity. This has led to cut-throat competition in the market by producers anxious to keep costly production facilities as fully used as possible, even though profit per unit sold may be ininimal.

The situation closely parallels that of vehicle assembly and that several root causes.

The replacement of crossply construction by the radial, now virtually complete, resulted in a product that lasted up to twice as long. The universal imposition of sneed limits in the 1970s.

Firestone closed its Wrecham and Brentford plants in the UK in 1980 and 1981, having already sold off its Swedish factory, and now makes tyres for European customers only in France, Spain and Haly, Goodyear shut down its heavily loss making plant at Garsgadden. Scotland in 1979, and concentrated If K production at Woldward to the UK in 1980 and 1981, having already sold off its Swedish factory, and now makes tyres for European customers only in France, Spain and Haly, Goodyear shut down its heavily loss making plant at Wrecham and Brentford plants in the UK in 1980 and 1981, having already sold off its Swedish factory, and now makes tyres for European customers only in France, Spain and Haly, Goodyear shut down its heavily loss making plant at Wrecham and Brentford plants in the UK in 1980 and 1981, having already sold off its Swedish factory, and now makes tyres for European customers only in France, Spain and Haly, Goodyear shut down its heavily loss making plant at Wrecham and Brentford plants in the UK in 1980 and 1981, having already sold off its Swedish factory, and now makes tyres for European customers only in France, Spain and Haly, Goodyear shut down its heavily loss making plant at Wolf was still expanding at a time when competitors could see the writing on the wall stable plant at Wolf was still expanding at a time when competitors could see the writing on the wall stable plant at Wolf was still expanding at a time when competitors could see the writing on the wa

tion of speed limits in the 1970s But for government interver tion, Kleber in France and Ceat in Italy would have gone broke. In a mature market, Michelin eplacement sales brought about is no longer head of the pack

wore out more slowly.

Imports from cheap labour countries in Eastern Europe

hama of Japan.

The numbers will be small, at any rate to begin with, but the long-term implications are worrying because Europe's car makers have always bought European tyres as original equipment; from the plants of such Furnmean or multi-national such European or multi-national producers as Michelin, Good-year, Pirelli, Continental, Firestone and Dunlop.

The majors control other brands that were once produced by separate companies which come in from the cold.

Unorthodox tyres continue to appear but have so far made little headway. In the 1970s, Michelin burned its fingers badly on TRX, a low profile tyre of excellent performance but needing a special shape of rim and a millimetric, as opposed to inch, diameter wheel. After persevering for 10 years to get it accepted by the assemblers, Michelin gave up. Dunlop had an equally depressing experience with its Denovo runflat tyre, In a bid Continental Gummi-Werke, Denovo runflat tyre. In a bid to salvage something from the venture, Dunlop and Michelin jointly created the TD system. This uses a tyre like TRX on a holding.

Denovo-type rim and allows limited mobility after a sudden The only car maker to have adopted TD as standard equipment is Austin Rover Group and that was the only one to adopt Denovo. The forthcoming Jaguar XJ-40 will also have ID tyres but the concept's future is not promising.
Continental is putting a lot

of research and development into a radical design called CTS, for ContiTyreSystem.
This tyre offers almost unlimited runflat capability and India brands? of tyre manufacture by the com- and enhanced ride comfort but indifferent lateral stability. Continental is optimistic that CTS will be on some high-volume cars by the end of the decade but the automotive industry is admitted a wait and see policy. concentration and rationalisation by the large national and multi-national producers.

Almost without exception, adopting a wait and see policy. every tyre company still suradopting a wait and see policy.

Continental is well aware that: production capacity on a substantial scale in the past 10 CTS if other tyre makers agree

Electronics JASON CRISP

TO PUT hundreds of thousands

of components on to a tiny microchip, the chips have to be made with enormous care in made with enormous care in exceptionally clean and vibration-free conditions. Put them in a car and they have to be tough enough to be baked, frozen, sprayed in oil and vibrated for hours at a time.

Ten years ago the semiconductors manufacturers looked in

tor manufacturers looked in delight at the potential demand from the car industry for their wares, and then in horror when they saw the specifications.

The standard demand is that a chip used in the engine coma chip used in the engine compartment will operate reliably between -40C and +120C, up to 100 per cent humidity, be vibrated very fast at up to a 15G force, be dropped three feet on to cement, and survive salt spray, battery acid and oil. And above all they must be cheap; the car industry cer-tainly would not pay military prices even if the specification was that tough.

Even if it was a tall demand the semiconductor industry recognised the potential sales and now electronics are an essential and increasingly important part of practically every

According to a recent report by London consultants Frost and Sullivan, the US market alone for automotive electronics will be worth \$6.8hn this year — and that excludes in-car entertainment systems. This is expected to rise to \$11.8bn by

Electronics in engine control systems have helped to make cars more efficient while still meeting tougher pollution laws. and devices such as anti-lock braking systems have made them safer. The growth has been dramatic in the past few years, particularly in the US. There the driving force has been the contradictory pressure to clean up exhaust emissions as well as laws requiring US companies to improve their overall fuel efficiency. Com-

electronic equipment has risen in 1982, can process nearly 1m very rapidly in the past few engine control commands a years, boosted by rapidly-falling second, taking data from six prices, greatly-improved reliaengine sensors. It has been debility and the consumers veloped so that it also can be



The Carin navigation system uses dead reckoning based on information from wheel sensors and an electronic compass to tell the driver his route once the departure and destination points and special requirements have been fed in. Carin will direct the driver along, say, the shortest route, the most scenic or most economical with the aid of a computer and a compact disc

of car makers to differentiate

For example, in 1982 only 13 per cent of cars had cruise controls but by 1984 this was 51 per cent. Over the same period fuel injection rose from 13 per cent to 38 per cent, and digital clocks from 38 per cent to 63

The examples of electronics in cars are numerous and diverse ranging from keyless locks and digital clocks to ignition and fuel injection: More than nine out of ten

puter-controlled engine systems cars now made in the US have have been a critical factor in some form of electronic engine trying to achieve both. control. For instance, Ford's But demand for all types of EEC-IV system, first introduced growing taste for electronic used for diagnosing faults, and devices together with the desire for transmission control.

their products by producing cedes-Benz have led the way extra functions. with electronic anti-lock braking systems which have sensors on all four wheels and which momentarily cut the brake pressure as soon as one locks. This allows the driver to stop more quickly, particularly in bad con-dition, and to steer even when braking in an emergency. Now Ford, in Europe and the US, is offering ABS and backing it

> forces of the car's four shock absorbers. The driver can chose between "normal" sus-pension and two "sport" settings depending on whether he or she wants comfort or speed.

with heavy promotion.

The Toyota Electronic Modulated Suspension (TEMS) can also be set at Auto so that the

In Europe, BMW and Mer- suspension changes according to the manner in which the car is being driven.

In France, Renault is offer-ing a remote key system. A small transmitter in a box which can be hung on a conventional key ring will lock or unlock a car at up to 100 yards and the lights will flash to acknowledge your command.

Philips, the Dutch electricals giant which is a major supplier of in-car entertainment systems, In Japan, Toyota has developed a micro-computer controlled suspension system. Its Carin system exploits the which adjusts the damping forces of the car's four shock the compact disc. The silvery absorbers. The driver can 5 in disc which would normally store an hour of Mozart can contain the entire road map of a country like Britain and includes every petrol station, res-taurant and pub.

Initially connected to a com-pass and sensors on the wheels,

Carin will use a system of dead reckoning and a computer will tell the driver where to turn based on the information stored on a compact disc. Even-tually it may be linked to a satellite navigation system such as the US Defence Department's \$3bn Global Positioning System. First production models are likely to be available from 1988.

Top range BMW models have a computer which continuously monitors a number of functions including the way in which the car is being driven. These enable the computer to tell the owner when the vehicle needs a service and the garage what work needs to be done.

In the US, the Bulck Riveria has a television-type screen mounted in its dashboard which is touch-sensitive and can be used to control items as diverse and heating, and trip computer.

New developments on the way include multiplexed wiring. which removes the ever-growing size of the wiring loom, auto-matic load-levelling, satellite navigation, automatic temperature control and sophisticated anti-theft devices.

The largest producers of elec-tronics for the US automotive industry are almost certainly the three giants, General Motors, Ford and Chrysler. GM's subsidiary, Delco Electronics, is a very large products of the control of the contr ducer of electronics equipment. For example, it produces about 250,000 integrated circuits a

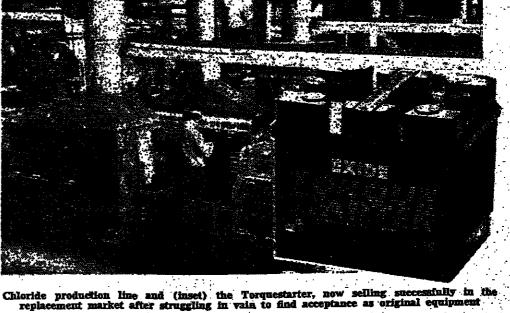
Frost and Sullivan estimate that Motorola is the largest merchant supplier of electronics to the US car industry for powertrain controls, followed by Bosch, Nippondenzo and Hitachi. Powertrain controls re-present by far the largest use of electronics in automotives. Frost and Sullivan also estimate that Bosch is the largest mer-chant supplier for vehicle con-trols followed by ITT and then

Hitachi.

The convenience and safety which electronics can bring to cars is one of the fastest-growing areas. There are devices which include cruise control, automatic switching on of lights, push-button locks and wind-screen wipers which adjust themselves to deal with the amount of rain automatically.

There is no doubt that elec-

There is no doubt that elec-tronics in the car are becoming as pervasive as they are in so many other areas of life. The automotive industry as a result has been one of the brighter spots in the depressed semicon-ductor sector. Chloride, and was not desper- most of the original equipment sures of their own.



Tough competition

Batteries JOHN GRIFFITHS

THE WORLD market for automotive batteries is relatively static, at 160m-170m units. World output of cars last year was slightly under 32m, and commercial vehicle production substantially less, so the batteries industry is one heavily dependent on the replacement market.

It is thus intensely pricecompetitive, in the context of being primarily—from the con-sumer's point of view—a distress purchase.

And in Europe this competi-tion is heightened by the presence of substantial over-capacity, estimated by Chloride group—litself in the middle of major restructuring to cut costs and improve margins—at about

40 per cent.
One of the more recent

battery business used to be shared between Lucas and

All Europe's leading battery makers keep their precise market shares close to their chests. But there is something of an industry consensus that Varta of West Germany is the European market leader, given its position in the heartland of Europe's most powerful motor industry. Second comes the French GCE Fulmen concern second, Tudor of Spain third. Italy's Magneti Marelli fourth and Chloride fifth.

The European market remains segmented along pri-marily national lines, for the simple reason that batteries are exceptionally heavy in relation to both volume and unit value. So there is a strong dis-

One of the more recent contributors to this over incentive to ship them for the incentive to ship them for the incentive to ship them for the long distances involved in cross-border trade.

It has had a particular impact in the UK because of the huge resurgence of Vauxhall/ Opel's fortunes. The company's battery business used to be incentive to ship them for the incentive to ship them for the long distances involved in cross-buttery in ship them for the long distances involved in cross-buttery explains border trade.

This factor partiy explains batteries, Chloride and AC Delco have made a firm pitch it. The premium sector, endeavour-ing—unlike the bulk of the batteries aftermarket—to sell on technology rather than on the premium sector, endeavour-ing—unlike the bulk of the batteries, Chloride and AC Delco have made a firm pitch it.

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This factor partiy explains batteries, Chloride and AC Delco have made a firm pitch it.

This factor partiy explains batteries, Chloride and AC Delco have made a firm pitch it.

ately important to either as sector and in the aftermarket. Vauxhall's market dwindled to about 8 per cent in 1981.

Now, however, Vauxhall has edged narrowly in front of BL case. Chloride has made an to take second place in the UK market, with ammal sales of Torquestarter battery—a car about 300,000 units a year— unit with its electrolyte absorbed within fluffy paper, which cannot leak. It is considerably lighter than conventional units and is sealed for 113

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The thinking behind develop-ing the Torquestarter was that vehicle makers could design it into a car in any location and would welcome the 20 per cent weightsaving, thus giving Chloride a clear commercial advantage. But the Torque-starter is three years old, and has yet to find an o/e custon It is now being sold, success

fully, in the aftermarket as a premium product, against rivals such Delco's own Freedom also sealed for life.

Like Unipart, with its Samson-batteries. Chloride and AC Delco have made a firm pitch at

there has been little attempt those being launched in the UK from them to compete for business in the sector.

This situation holds true for muscle to impose margin pres-

HAS BEGUN.



TRANSIT number one rolled off the Ford production line in 1965. Last year the astonishing figure of 2,000,000 was reached. Now the next chapter has begun.

EVOLUTION NOT REVOLUTION. Ford have combined all the most successful features of the last

twenty years with all the latest knowledge and technology. They've produced a Transit that's even more economical, yet has far greater loadspace and better load access. A vehicle with a higher level of comfort, but one that is even more rugged, even

THE CLASSIC DESIGN CONCEPT.

The design concept is a classic. The cab, engine and loadspace are located in three separate compartments, so no one element interferes with the others. Rear wheel drive is featured on all models, while for the first

time short wheelbases have independent front suspension. And to cut maintenance costs, self-adjusting mechanisms and lubricated-for-life components have been included in the design. Even the bonnet hasn't been overlooked - it opens higher and wider for easier access to the engine.

STRETCHING FUEL ECONOMY BOUNDARIES. Ford have also made the new Transit cheaper to run. Aerodynamics have been improved dramatically giving it a drag co-efficient that few others can equal. And the engines are among the most reliable and cost efficient on the road.

Add all this to the versatility and economy of Ford's own gear-boxes and you've got a cost-cutting combination. TAKING LOADSPACE INTO ANOTHER DIMENSION. As for loadspace, the new Transit boasts even more than its

The long wheelbase features a semi-high roof with 297 cubic feet of loadspace – a 13.5% improvement. The short wheelbase has 11% more room than before with 202 cubic feet. But short wheelbase models also offer a semi-high roof option, boosting the overall loadspace improvement to 22%.

Access has also been improved.

The rear doors are up to 9" taller and rear loading width is up to 5½" greater. And there's a new low-effort, sliding side-door available that can easily swallow a metre-wide pallet. LEAVING YOUR OPTIONS OPEN.

Needless to say the new Ford Transit is a very versatile vehicle. It's available in van, chassis cab, bus and crew-bus models with a choice of seven payloads and three different wheelbases. With over a thousand Ford dealers spread across the country your options are also open when it comes to arranging a test drive.



THE NEW FORD TRANSIT

SECTION II - COMPANIES AND MARKETS **FINANCIAL TIMES**

Friday April 4 1986



to Hiram Walker asset sale By Bernard Simon in Toronto

HIRAM WALKER Resources, the Canadian energy and liquor group at the centre of a takeover battle, faced a legal challenge yesterday to plans to sell its wine and spirits di-vision to the British food group,

Allied Lyons.
Olympia & York, the property and resources group with an 11 per cent voting interest in Hiram, has asked the Ontario supreme court to block Hiram's proposed C\$2.6bn (US\$1.87bn) sale of its liquor interests and to bar Fingas Investmen a new company controlled by Hiram and Allied-Lyons, from proceeding with a proposed offer for 50m Hiram common shares.

Both the sale of Hiram's liquor

business and the Fingas offer are designed to foil a CS1.5bn takeover bid for Hiram by Olympia & York's 80 per cent-owned subsidiary, Gulf Canada. Gulf has offered to buy 40m Hiram common shares and all class D preference shares, which would give it and Olympia & York a 52 per cent voting interest in

Hiram's plans were also challenged in court yesterday by its largest existing shareholder, Interprovincial Pipe Line, which has agreed to support Gulf's hid. Interprovincial holds a 17 per cent interprovincial

est in Hiram. Olympia & York asked the court yesterday to order Hiram to pro-duce the agreement with Allied-Lyons for the sale of its liquor business and to restrain it from investing C\$2bn in Fingas to finance the latter's offer for Hiram shares. It argues that Canadian law requires Hiram's directors to call a meeting of shareholders to ratify the dismemberment of the company. It also contends that, by estab

lishing Fingas, Hiram management is using company funds to set up a vehicle able to control the company indefinitely. Hiram would have a 49 per cent interest in Fingas. The takeover battle took another

twist yesterday with the disclosure that the world's largest distiller, Montreal-based Seagram, has also shown an interest in buying Hiram's liquor business. Seagram's chairman, Mr Edgar

Bronfman, wrote to Hiram earlier this week indicating that Seagram was willing to offer a stantially in excess of that offered any other potential purchaser. Mr Broniman's letter, contained in Olympia & York's court documents complained that Hiram had withheld information from Seagram which it had provided to other

Foreign bid for Canadair is dropped

By Our Montreal Correspondent

CANADAIR. the Government-owned aircraft and defence products manufacturer, now has five potential bidders all of which would ensure that it remains in majority Canadian control.

The Federal Government has indicated that a consortium led by West German industrialist Justus Dornier is no longer in the running to buy Capadair. The other Canadian airframe builder, De Havilland aircraft of Canada, was sold effective January 1 to Boeing for C\$95m.

The five groups submitting proposals include Bombardier, the snowmobile and rail equipment manufacturer. Fleet Aerospace, an aircraft parts manufacturer, and Magna International, the largest Canadian auto parts producer.

The Government says it will make a careful analysis of all five potential bids through Canada Development Investment Corporation, the federal agency which owns Canadair. Then negotiations to complete privatisation will follow.

Challenge | Special gains leave Credit Lyonnais earnings up 19.8%

BY DAVID HOUSEGO IN PARIS

est of the French nationalised banks, yesterday announced a 19,8 per cent increase in net profits for 1985 to FFr 442m (\$61.8m). Operatmg income was marginally down; however -

The sharp profits rise was due mainly to a more favourable tax position and to savings on non-recurrent items, such as allowances made for the introduction of a fifth week's paid holiday and for employ-ee share participation schemes.

But net profits also rose despite a 6.2 per cent increase in provisions to FFr 5.19bn to cover risks on loans to developing countries - in part-boosted in French franc terms by the decline in the dollar. Provisions on domestic lending declined because of the stronger position of

French companies.

The bank's operating profits before depreciation and provisions declined, however, by 1.1 per cent to

As a result of the 20 per cent fall

CREDIT Lyonnais, the second larg- overseas branches fell by 17.9 per cent to FFr Libra.

profitable of the major French banks, is the first to report its 1985 results. Mr Jean Deflassieux, the chairman, called them "acceptable, but no more" in a difficult year. Apart from the impact of the falling dollar, the bank also saw its revenue squeezed by disinflation and a slight shrinking of margins on its

Mr Deflassieux declined to be drawn on prospects for the privati-sation of Credit Lyonnais - one of the three banks nationalised in 1945. He said that Mr Edouard Balladur, the new Finance Minister, had told bankers last Friday that it was the Government which would implement privatisation and that it could take from months to years.

Over the year Crédit Lyonnais considerably strengthened its previ-ously weak capital base through issues of conventional or subordinatin the dollar over the year against ed debentures and perpetual sub-the franc, operating profits from ordinated debt.

WestLB operating profits up 23%

WESTLB International, the Luxembourg subsidiary of Westdeutsche
Landesbank, West Germany's biggest publicly-owned bank, increased its operating profits by 23 the lower US dollar affected the value of dollar-denominated assets.

[583 fm) last year (\$63.6m) last year.

Alongside other banks operating in Laxembourg, WestLB Interna-tional benefited from active bond trading and growing fee income from financial services.

It is paying a dividend amounting to DM 477m to the Disselderfbased parent bank - the first since

WestLB International said it took substantial account of risks arising from international loan business by allocating DM 97.4m to provisions and depreciation, increasing the to-tal in hand for such purposes to DM aside higher amounts for risk provi-diminishing.

Credit outstanding to non-bank ostomers fell to DM 4.8bn from DM 6.3bn, partly because of a selective approach to new lending Claims on other banks rose to DM

3.5bn from DM 2.6bn Other West German banks - inciuding the "big three" commercial banks, Deutsche, Dresdner and Commerchank – have also indicat-ed that their Luxembourg opera-tions had buoyant results last year. The West Garmans have tradition The West Germans have traditionally built up considerable risk provisions in Luxembourg, partly with a view to tax advantages, although 491.4m. In previous years it had put the need and scope for this may be

Court approves ESM creditors' settlement

BY WILLIAM HALL IN NEW YORK

CUSTOMERS of ESM Government Securities, the small Florida based government securities dealer whose collapse last year precipitated a run on the deposits of several Ohio sav-

A US Federal bankruptcy court judge in Fort Lauderdale, Florida, yesterday approved a settlement plan for creditors of ESM which closed its doors just over a year ago, causing a temporary crisis in the US financial markets.

The distribution, which will be made after the end of a 30-day appeal period, gives about 22 cents on the dollar to 17 municipalities and

four savings and loans that had in-

vested through ESM. The state of Ohio, which is the liquidator for the failed Home State Savings Banks of Cincinnati, which had particularly close ties with ESM, will get \$10m ings banks, will recover \$35m of the s152m it lost, or about 7 cents on the dollar.

As part of the settlement, American Savings and Loan, a Florida savings bank which was controlled by Mr Marvin Warner, a Cincinnati financier who was also closely involved in the affairs of Home State and ESM, will pay \$5m to the ESM creditors fund. In return, the ESM trustee has dropped a suit against American Savings, which was intended to recover \$45m that American Savings withdrew from ESM in the final days before its collapse.

American losses hit Baltica

BY HILARY BARNES IN COPENHAGEN

BALTICA Insurance of Denmark increased net profits from DKr substantial losses on its American reinsurance business and that the

ing profits were down from DKr 143m to DKr 133m but there was a capital gain of DKr 1914m compared with DKr 101m in 1984. A loss proving the proving t sion of DKr 480m was made to domestic premiums, combined with cover reinsurance losses. The dividend will be unchanged at 12 per to produce an improved operating due to be paid off by 1993. Repayment will end the Government's profit in 1986, said the group.

Consob tightens rules on options

THE CONSOB, the Italian stock exchange regulatory authority, has tightened up the rules governing trading in options on the Milan stock exchange. Options dealing is one of the main areas of speculative trading on the Milan market, where share prices have already risen more than 60 per cent since the beginning of this year.

Under the new rules, which came into force yesterday, dealers who sell options must be able to prove that they are actually in poss of the options they are selling. Hitherto it was possible to sell an option and then seek to acquire a share certificate to deliver when the contract expired.

The Consob was alarmed by the wild fluctuations in the prices of op-tions and by the possibility that those who had sold options they did not possess would be unable to

The measure marks a further tightening of the conditions governing dealing on the stock exchange. Since early this year purchasers of shares have been obliged to pay the full price of shares at the time of acquisition. Previously a 60 per cent deposit was sufficient. The Consob has also lengthened sattlement the has also lengthened settlement periods to prevent rapid in and out

Hoogovens lift profits and payout

By Our Financial Staff

HOOGOVENS, the Dutch steel maker, yesterday announced a 35 per cent increase in net profits for 1985 to F1 278.8m (\$106m) from F1 208.5m, on virtually unchanged sales of F1 7,46bn and production that was slightly down on 1984 in tonnage terms. The company also announced a one-for-10 rights issue. As a result of this increased profi-tability, the company is proposing a dividend of FI 2.50 per FI 20 nomi-

Costs were reduced to Fl 6.6bn from Fl 6.7bn on crude steel output tonnes, as previously announced Profits at the operating level rose to F! 598.4m from F! 568.3m. Financial charges were sharply down at Fl 169.4m against Fl 216m, while there was an extraordinary loss of Fl 138.1m last year.

nal share, against Fl 1.60 a year

A prospectus giving details of the proposed rights issue is due to be published on April 29.

Hoogovens' improving profitabili-ty has helped the Dutch Government's plans to reduce state hold-ings in industry.

VMF-Stork recovery continues

By Laura Raun in Amsterdar

VMF-STORK, the Dutch machinery manufacturer, lifted its earnings by 27 per cent to Fl 39.2m (\$15m) last year and is raising its dividend by Fl 2 to Fl 8 a share.

The coating and printing prodacts and industrial products divisions contributed to the profits rise. while food processing and packag-ing equipment posted a loss. Sales fell 10 per cent to Fl 2.01bn last

VMF-Stork, which resumed a div idend payment for the first time in a decade last year, predicted that profits would rise again this year. After its recovery from losses in 1979 and 1980, the company recently agreed to repay early F1 60m in government aid that was originally

Telecom-North America are the lat-

est in a string of management upheavals at IIT. Shortly before IIT

announced the System 12 decision,

Mr William Smith, ITT's chief tech-

GPA GROUP, which claims to be 3 per cent stake of the world airline the knowledge that they are not setthe largest aviation leasing compa-fleet and 20 per cent of the leasing ny in the world, yesterday an-market. The largest investor in the pri-S125m private share placement in Japan, the US and Britain. This deal will treble GPA's equity vate placement is The Long-Term Credit Bank of Japan which, in as-

GPA to treble equity

with share placement

nounced it had almost completed a

to \$190m and give it a financial base

to expand its operations over the next five years.
It initially intended to raise \$100m but the placement of 9.5 per cent convertible preferred shares was oversubscribed. GPA has completed the placing of \$115m worth of shares and is finalising negotia-

tions for a further \$10m. GPA at present owns or has leased in 50 aircraft with a book value of \$240m, while it has a further 42 on order, 20 on option and 121 under negotiation.

It owns just under 1 per cent of the non-communist world's airline fleet and claims a 5 per cent stake in the aviation operating lease market

sociation with Japan Leasing Cor-

poration and Kawasaki Enterprises has contributed \$55m The other investors are the Prudential Insurance Company of Amer-ica with S35m, General Electric Credit Corp with \$15m, Morgan Grenfell with \$5m, First Boston with \$2m and GPA employees with \$3m. A group of other small investors is expected to take up a further

Two of GAP's existing shareholders have reduced their holdings to bring in the Mitsubishi group as a shareholder with a 22 per cent

Japanese groups have been looking for a chance to break into the international aviation leasing mar-It plans to increase its airline ket for some time. By taking a A GPA subsidiary, Air Tara, op-fleet to 263 aircraft, worth \$3.8bn, in 1991, by which time it would have a expertise while GPA is secure in GPA's leasing customers.

equity until the flotation.

and the sale of shares to Mitsubishi, GPA's four main shareholders are Air Canada, with 26 per cent, Guin-ness Peat the British financial services group (23 per cent) Mitsubishi (22 per cent) and Aer Lingus the Irish airline (17 per cent).

GPA, which was originally

known as Guinness Peat Aviation. was set up in 1975 in Shannon, Ireland by Aer Lingus, Guinness Peat and Mr Tony Ryan, a former executive of Aer Lingus.

S25m in the year ended March 1986 compared with S17m in 1985. It had gross assets of \$399m at the end of

ting up operations to rival its own. GPA may publicly list its shares on the London or US stockmarkets in three or four years' time. Its new shareholders are not expected to convert their preferred shares into As a result of the share placing

It made an estimated profit of

March.

Canadian dealers set up equity fund

SEVEN leading Canadian securities vestment adviser, Tremont Part-dealers have established what is ners. Mutual fund assets will be all ously co-operated to promote Senunderstood to be the first jointly located equally among the four tinel stripped coupon bonds. owned mutual fund management The seven investment dealers • Great Lakes, a financial services company in North America.

The Toronto-based joint venture, known as Sentinel Investment Management, this week launched its first mutual fund, the Sentinel Canada Equity Fund, which will invest primarily in Canadian shares. Sentinel has appointed four investment consultancies to act as portfolio managers. The managers'

and Pemberton Houston Willoughby of Vancouver.

Between them, the member firms have 300 offices and a salesforce of dian Imperial Bank of Commerce odically by a Connecticut-based in- ables them to trim costs.

which have joined forces in Sentinel are Burns Fry, Dominion Securified Brascan group, said it will take ties Pitfield; McLeod Young Weir; a 50 per cent interest in a mutual Nesbitt Thomson Bongard and fund administration and distribu-Wood Gundy, all of Toronto; Rich-tion company at present wholly ardson Greenshields of Winnipeg owned by the Toronto investment consultancy Connor Clark and

Merrill Lynch Canada and Canaperformance will be evaluated peri- 3,500. The joint venture also en- are minority shareholders in Great

Genstar board to recommend Imasco bid

By Robert Gibbens in Montrea THE BOARD of Genstar, the Cana-

dian building materials and financial services group, is to recom-mend acceptance of a sweetened CS2bn (USS1.44bn) takeover offer from Imasco, the fast-food, tobacco products and retailing group, on the basis of a minimum CS58 a share.

However, the final form of the leal has yet to be negotiated. Imasco. 44 per cent controlled by BAT Industries of the UK, and the Genstar hoard have agreed that Genstar shareholders should receive at least CS54 cash per share, pius a Gensiar security worth an amount to be negotiated but making the total price worth at least CS58 per

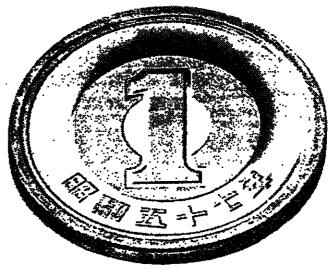
If agreement cannot be reached, Imasco will pay CS58 a share cash, for all the Genstar shares. Its original offer two weeks ago was C\$54. Imasco said it is only interested in Canada Trustco, the big financial services subsidiary of Genstar with assets of more than CS30bn, adding that Genstar's building materials, property development and other businesses would be sold off.

Analysts have estimated that the Genstar non-financial services subsidiaries have a value of between CS900m and CS1bn.

Genstar management said the continuing talks with Imasco are aimed at providing the maximum return for Genstar shareholders, but will also consider how they could continue to participate in Genstar's non-financial services operations.

The Imasco offer is still conditional on getting 51 per cent of the Genstar votes. The Genstar senior management group is the third largest bolder of Genstar stock, with an estimated total of about 1.5m shares, worth around CS80m, assuming all were taken up.

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essential dealing and arbitrage tool to lay off foreign currency and interest rate risk. The high volume of CME options and the tight pricing which arises from the link between our options and futures contracts has enabled our customers to benefit from an improved and even more sophisticated service.

For more information about how CME's range of options can help you protect yourself, contact Keith Woodbridge or Neil McGeown at Chicago Mercantile Exchange, 27 Throgmorton Street, London EC2N 2AN. Telephone: 01-920 0722. Telex: 892577 IMMLON G.



International Monetary Market

ITT switching division chief replaced BY PAUL TAYLOR IN NEW YORK

ITT, the US-based multinational conglomerate, said that Mr Harold Miller, who had headed the group's Raleigh, North Carolina-based telephone switching and transmission business, has been placed "on special assignment." Earlier this year ITT abandoned its efforts to adapt its flagship System 12 digital tele-

phone switch to US standards. Mr Miller was placed on assignment to Mr V. William Souveroff, en IIT senior vice president and director of its North American telecommunications operations. Mr Souveroff, announcing the manage ment change, said that Mr Miller had been replaced by Mr Vincenzo Philips manager who joined ITT in chief operating officer, will be in where he helped assess System 12's

group general manager in charge of III Hancock Industries, part of ITT's technology group. Mr Russo will succeed Mr Miller as group general manager for ITT Telecom-North America.

IIT Telecom-North America was the unit in charge of ITT's attempts to adapt System 12 to the US market - an effort that was abandoned in February, resulting in a \$105m write-off and the loss of 1,600 jobs, including 1,200 in Raleigh.

As a result, Mr Russo, who has a reputation as a turnround specialist and strong operating man and has worked closely with Mr Edmund Carpenter, HTs president and

1969 and most recently served as charge of a much smaller operation future. Mr Braverman recently rewhich makes and manufactures signed as an ITT senior vice presitransmission equipment, other tele- dent but remains with the group phone network switching products The management changes at ITT

Mr Miller's move is generally viewed as resulting directly from the failure of the US System 12 development effort. ITT has previously used "special assignments" to reassign temporarily out-of-favour

nical officer, resigned to return to Bell Labs expressing frustration with co-ordinating development groups working on System 12. opérations managers. Last year Mr Robert Braverman, Subsequently, ITT named a series of new senior appontments to its who had headed ITTs troubled European Telecommunications, incommunications operations and including Mr Gerhard Zeidler who formation services (Coins) group was placed on special assignment to Mr Rand Araskog, ITT's chairman. took over Mr Smith's other post as general technical director of ITT

INTERNATIONAL COMPANIES and FINANCE

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Swiss Bank Corporation International Limited S. G. Warburg & Co. Ltd.

Pan Am to acquire Ransome Airlines

PAN AM, the US airline, is to for the airline's New York Kennedy acquire Ransome Airlines, a small Airport international routes. Mr Ar-Philadelphia-based regional carrier, ker, noting that about 70 per cent of

The deal is the latest in a series of planned mergers announced by major US airlines and mirrors Trans World Airways' (TWA) re-

Pan Am, which competes directly with TWA on the lucrative transatlantic routes, declined to disclose terms of its planned purchase. Mr Edward Acker, Pan Am's chairman and chief executive, said the acquisition was expected to be completed by April 15 with full operation aimed at the start of June. Ransome, which will be renamed

Pan Am Ransome Express upon completion of the deal, operates a fleet of 12 small airliners and has a route system concentrated in the north-east, stretching from Port-

land, Maine, to Washington DC. Mr Acker said Pan Am plans to use its new subsidiary to set up a feeder system generating business

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in an effort to generate more passenger traffic for its international added, "a key element of Pan Am's business is international, added, "a key element of Pan Am's business is international, added, "a key element of Pan Am's marketing strategy is to increase its US domestic feed."

> The proposed acquisition, such as the other recently announced US airline mergers, is subject to regulatory approval. Earlier this week, the US Justice Department announced that it was opposing the planned \$884m merger of Northwest Airlines and Republic Airlines on anti-trust grounds. However both Northwest and Republic are many of the Justice Department's objections revolve around the two airlines' dominant position in that

In any event the US Transportation Department has final authority for approving or rejecting all airline mergers, and most industry analysts doubt whether the Administration will stand in the way of the sweeping restructuring of the US airline industry

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Phillips Petroleum to seek more than 2,000 job cuts

BY OUR FINANCIAL STAFF

will have reduced our total work-sharp cut in exploration spending. Mr Glenn Cox, president and chief operating officer, said exploration and production staffing in Bartles—

will have reduced our total work-force by 2,000 to 2,500. The work-force now totals 26,700.

Shell Canada, the big Canadian

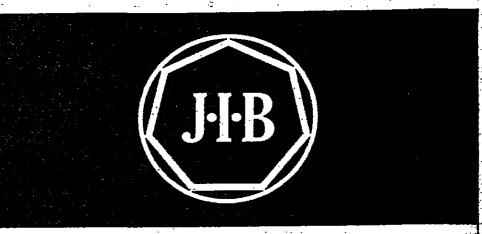
requiring an across the board re-duction, but "we anticipate that The heaviest cuts will come in the when all the individual groups and company's exploration and production, but we anucipate when all the individual groups and staff plans are implemented, we will have reduced our total work-

PHILLIPS Petroleum, the US integrated oil concern, hopes to reduce its workforce by between 2,000 and 2,560 in response to the changing economic climate in the oil industry.

We consider the Phillips head-quarters – and in Denver, Houston and London would be most affected.

When the company was not require an across the board recommendation but we anticipate that

The project, at Shell's Athabasca property in northern Alberta, will have a daily capacity of 7,500 bar-rels of bitumen. Plant construction



| Extract from Accounts a | | | |
|-------------------------|--------------|---------------------|--|
| | <u>19</u> 85 | 1984 | |
| | £000 | £000 | |
| Issued Capital | | • | |
| and Capital Reserve | 16,234 | 14,757 | |
| Retained Profits | 13,399 | 11.745 | |
| Subordinated Loans | 15,248 | 18, 94 9 | |
| Deposits | 475,125 | 489.734 | |
| Loans | 297,216 | 373,271 | |
| Total Assets | 527,399 | 548,311 | |
| Profits before Taxation | 4,210 | 4,184 | |
| after Taxation | 3,130 | 2,513 | |

Japan International Bank Limited

Shareholders

The Fuji Bank The Sumitomo Bank **Daiwa Securities**

The Mitsubishi Bank The Tokai Bank The Nikko Securities Yamaichi Securities

107 Cheapside, London EC2V.6BR.

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U.S. \$60,000,000

(Multi-Currency)

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incorporating a

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April 1986

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27th March, 1986

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(Tateisi Denki Kabushiki Kaisha)

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Warrants

to subscribe for shares of common stock of Omron Tateisi Electronics Co. unconditionally and irrevocably guaranteed by

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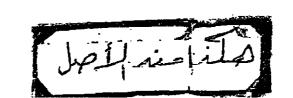
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Merrill Lynch Capital Markets Managing Underwriters Al Saudi Banque (A.S.B.) Banca Nazionale del Lavoro Banque de Chine Cassa di Risparmio delle Provincie Lombarde Copenhagen Handelsbank A/S Dai-Ichi Kangyo International Limited Fuji Bank, Limited/Fuji International Finance Limited Generale Bank Gulf Riyad Bank E.C. Istituto Bancario San Paolo di Torino

INTL. COMPANIES & FINANCE

Sharp increase in group profits at Cheung Kong

BY DAVID DODWELL IN HONG KONG

CHEUNG KONG, the Hong Kong holding company controlled by Mr Li Kashing, yesterday reported consolidated net profits for last year of HK\$551.7m (US\$70.7m) more than 2½ times the 1984 profit of HK\$213.5m which had been depressed by a number of major provisions.

The majority of Cheung Kong's profit—about HK\$474m —resulted from a strong performance by Hutchison Whampoa, the trading, property and utilities group in which it holds a controlling 35.1 per cent stake. In 1984, Hutchison A strong inflow of cash in International City Holdings

HY Li said yesterday. He prethougher the group "will the group that the group that the group the group in lit was a HK\$90m provision against lower property values in ICH which last year accounted for the lion's share of extraordinary losses of HK\$112m.

Against last year's extraordinary losses were gains amounting to just over the property market, and a loss on the sale of a stake in Lee Hing, a property group.

The board is recommending a total dividend for the year of 57 cents a share, a 27 per cent improvement on the 45 cents in International City Holdings

to curb share offers

will in future closely monitor index to sompany listings on the Kuala Lumpur Stock Exchange (KLSE), to prevent too many public share offers, Reuter reports from Kuala Lumpur.

The exchange's Capital Issues
Committee (CIC) said priority
would be given to companies
involved in tourism, manufacturing, agriculture and exportorientated activities.

The CIC, which supervises the local securities industry,

BHP bid company, said yesterday it had lodged a fresh takeover document seeking to bid for shares in Broken Hill Proprietary (BHP), Reuter reports from Melbourue.

tive to investor expectations and be indicative of government

tions raised by BHP in recent litigation in the Victoria Supreme Court. Bell said it had chosen to assume the validity of BHP's objections rather than engage Malaysia monitoring move further in the commercially wasteful exercise of contesting

Full details of terms and price would be announced on

notice to the Melbourne Stock Exchange. It indicated, how-ever, that the new offer would be designed to overcome objec-

Bell set

fresh

to launch

the issues raised.

Last week Bell dropped its previous partial offer, which simed for between 20 per cent THE MALAYSIAN Government single composite stock market will in future closely monitor index today to replace its precompany listings on the Kuala sent six-sector index, the CIC and 34 per cent of BHP on top of its current stake of nearly 19 per cent. The withdrawal followed a month of litigation incritated by BHP challenging Bell's initial offer document. added.

The new KLSE Composite Index was being introduced because the present one was out-dated and did not fully represent all segments of a changing local market, it said. The 83-component index is intended to reflect share performance more closely, be sensitive to investor expectations

The offer would be made on a payable on May 28, and yet to be declared. Consequently, it would be made only if it could be despatched to shareholders on or before April 22, Bell added.

If the announced date for pay ment of the BHP dividend is altered, the offer would be made only if it could be despatched at least five weeks before that

and be indicative of government policy and economic changes.

Shell Refining Company, a member of the Royal Dutch/Shell group, said its net profit rose to 39.6m ringgit (\$15.1m) in 1985 from 36.4m ringgit. Turnover rose to 1.81bn ringgit from 1.75bn ringgit.

The final dividend was unchanged at 11 cents, making 17 cents for the full year against date.

An extraordinary meeting of Bell Resources to consider a placement of shares to Bell cents for the full year against 16 cents in 1984. Payment date is June 2 for shareholders registered on May 9. Group, its parent—which was adjourned for a month from March 18—has been cancelled, Bell's statement went on.

India drops dividend tax proposal

MR VISHWANATH PRATAP SINGH, the Indian Finance Minister, has announced the withdrawal of a controversial proposal in the 1986-87 budget imposing a tax on dividends earned from investments by one company in another, Reuter reports from Delhi.

He also offered concessions on excise duties which, he said, would mainly benefit small businesses. The budget is expected to be formally approved by Parliament next month.

by Parliament next month.

The withdrawal of the dividend tax is expected to boost investment in stock markets, brokers said. But they added that the Government had not withdrawn another controversial measure, known as modified sial measure, known as modified value added tax.

guidelines The KLSE plans to launch a **DAIWA EUROPE LIMITED**

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MIPPON MINING (10d) 17/3/89 101.00 105.00
NIPPON MINING (10d) 17/3/89 101.00 105.00
NIPPON MINING (10d) 17/3/89 101.00 105.00
NIPPON MINING (10d) 17/3/89 105.00 36.50
NIPPON OIL 5/3/91 35.00 36.50
NIPPON OIL 5/3/91 35.00 36.50
NIPPON YUSEN K K 18/10/90 50.00 51.00
NISSHO IWAI 1/2/89 60.50 62.00
NOMURA SECURITIES 31/10/88 200.00 202.00
OMRON TATEISHI (10d) 31/3/89 20.50 22.00
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ONDDA CEMENT 28/2/90 65.00 66.50
OPTEC DALICHI 23/2/90 65.00 66.50
OPTEC DALICHI 23/2/90 35.00 37.50
ONODA CEMENT 28/2/90 33.50 35.00
RENOWN (0ld) 24/1/89 41.50 43.00
RENOWN (0ld) 24/1/89 33.50 45.50
RENOWN (New) 14/3/91 39.00 40.50
RENOWN (New) 14/3/91 39.00 40.50
SEINU STORES 20/3/87 135.00 141.00
SEINU TRANSPORT 17/3/89 66.50 68.00
SEINU STORES 20/3/87 135.00 141.00
SUMI CONSTRUCTION 24/3/99 120.00 125.00
SUMI REALTY (0ld) 21/11/89 215.00 220.00
TOKYU CORP (New) 13/12/90 65.00 66.50
TATEHO CHEMICAL 16/1/91 38.00 40.50
TOKYU CORP (New) 13/12/90 70.00 71.50
TOKYU CORP (New) 29/10/90 70.00 41.50
TOKYU CORP (New) 29/10/90 70.00 40.50
TOKYU CORP (New) v DABF/G/H/I/J/K/L - Further information from: dy Glock or Baverly Kally on 01-236 6060 umited, 14 St Paul's Churchyard, London EC4M 8BD

Philippine National Oil boosts net earnings

PHILIPPINE NATIONAL OIL agents which arranged charters

gation by a special anti-corrup-tion commission established by who accepted the post offered Mrs Aquino. It is alleged to by Mrs Aquino on a caretaker have paid excessive commissions capacity for at least three on freight rates to shipping months.

PHILIPPINE NATIONAL OIL agents which arranged charters to COMPANY (PNOC), the state energy development agency, boosted net profits by 11 per cent last year to 800m pesos (\$40m) on sales which rose 5.5 per cent to 21.9bn pesos.

Mr Geronimo Velasco, PNOC chairman, fled abroad after Mr Ferdinand Marcos was ousted as President in February. The new Government of President Corazon Aquino plans to return the company to the private sector.

agents which arranged charters to transport imported oil from 1975 up to last year.

The anti-corruption commission obtained documents showing that PNOC, under Mr Velasco, paid commission in excess of the standard rate of 2.5 per cent.

Last year to 800m pesos ion obtained documents showing that PNOC, under Mr Velasco, paid commission in excess of the standard rate of 2.5 per cent.

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Last year to 800m pesos ion ob

sector.

PNOC is now headed by Mr
The company is under investiVicente Paterno, the former

Singapore seeks extradition of Pan-Electric executive

begun extradition proceedings Pan-Electric group, Mr Tham in the US against Mr Peter was in a position to influence Tham Wing Fai, a central figure investment decisions of the in the failed Pan-Electric Indus- group.

Mr Tham was traced to Seattle, Washington, by the Federal Bureau of Investigation a fortnight ago. The Singapore authorities have issued a warrant of arrest for alleged criminal breach of trust and stock market manipulation. Pan-Electric was the marine

salvage. property and hotel group that collapsed under the weight of \$\$400m (U\$\$183.5m) in debts and \$\$140m in forward share contracts, leaving the shakeup of the Singapore and Malaysian stockbroking indus-

THE Singapore Government has stockbroking firm and of the

Singapore prosecutors have said that the group's collapse was the result of a conspiracy to use funds of companies in the group without obtaining board

Mr Tan Kok Liang, the former Pan-Electric finance chief, pleaded guilty to two charges of criminal breach of trust involving S\$54,000 and is now serving a 15-month sent-

Mr Tan Koon Swan. Malaysian politician business-man, is due to stand trial on May 5 on 15 charges ranging As a former director of a from criminal conspiracy.

All of these securities have been sold. This announcement appears as a matter of record only.

March, 1986



America West Airlines

\$80,000,000

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(Incorporated in Hong Kong)

12% % Guaranteed Notes Due 1992



NOTICE IS HEREBY GIVEN that pursuant to Condition 5(c) of the Notes, US \$1,000,000 principal amount of the Notes has been drawn for redemption on 6th May, 1986, at the redemption price of 1017 of the principal amount, together with accrued interest to 6th May, 1986. The senal numbers of the Notes drawn for redemption are as follows:—

| , | 1408 | 2055 | 2785 | 3945 | 4619 | 5536 | 6720 | 8008 | 9905 | 10560 | 11625 | 12864 | 13667 | 14565 | 15375 | 16687 | 17588 | 18426 | 19045 |
|------|------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 32 | 1490 | | 2855 | 3959 | 4720 | 5712 | 7163 | 8734 | 9940 | 10671 | 11892 | 12896 | 14084 | 14638 | 15476 | 16771 | 17606 | 18442 | 19088 |
| | 1542 | | 2889 | 4075 | 4955 | 5722 | 7167 | 8763 | 9976 | 10757 | 12009 | 12943 | 14087 | 14711 | 15555 | 16918 | 17772 | 18663 | 19093 |
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| 790 | 1660 | 2298 | 3086 | 4225 | 5038 | 6062 | 7537 | 9372 | 10085 | 11166 | 12230 | 13086 | 14213 | 15078 | 16074 | J7082 | 18229 | 18798 | 19323 |
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| 899 | 1835 | 2442 | 3342 | 4231 | 5276 | 6492 | 7679 | 9454 | 10225 | 11362 | 12427 | 13536 | 14300 | 15210 | 16179 | 17409 | 18254 | 18839 | 19681 |
| 1080 | | 2528 | | | | | | | 10322 | | | | | | | | | | |
| 1350 | 1965 | 2637 | 3926 | 4614 | 5501 | 6714 | 8065 | 9682 | 10479 | 11535 | 12765 | 13636 | 14400 | 15364 | 16654 | 17531 | 18424 | 18953 | 19952 |

On the 6th May, 1986, the said redemption price will become due and payable upon each Note to be redeemed, together with accrued interest from 20th February, 1986 to 6th May, 1986 amounting to US \$133.26 per US \$5,000 Note. On and after that date, interest on the said drawn Notes will cease to accrue. Payment of the Notes to be redeemed will be made on or after 6th May, 1986 upon presentation and surrender of the said Notes, with all coupons appertaining thereto, at the office of any of the Paying Agents mentioned thereon. After 6th May, 1986 US \$17,000,000 principal amount of Notes will remain outstanding.

The Chase Manhattan Bank, N.A., London, Fiscal and Principal Paying Agent

4th April, 1986

These securities have been sold outside the United States of America and Japan. This anno

NEW ISSUE



¥10,000,000,000 KAWASAKI STEEL CORPORATION

7½ per cent. Dual Currency U.S. Dollar/Yen Notes due 1996

Issue price 101 per cent.

Nomura International Limited

Dai-Ichi Kangyo International Limited Mitsui Trust Bank (Europe) S.A.2

BankAmerica Capital Markets Group Banque Paribas Capital Markets Limited

COMMERZBANK Aktiengeselischaft **Credit Suisse First Boston Limited**

Hill Samuel & Co. Limited

J. Henry Schroder Wagg & Co. Limited

Mitsui Finance International Limited The Nikko Securities Co., (Europe) Ltd. Banque Internationale à Luxembourg S.A. Chase Investment Bank

Yamaichi International (Europe) Limited

Crédit Lyonnais Daiwa Europe Limited

LTCB International Limited

Manufacturers Hanover Limited Morgan Guaranty Ltd

Nippon Kangyo Kakumaru (Europe) Limited

Swiss Bank Corporation International Limited

Taiyo Kobe International Limited

All of these securities having been sold, this announcement appears solely for purposes of information.

March 17, 1986



\$50,000,000

The Armstrong Rubber Company

71/2% Convertible Subordinated Debentures Due 2011

The Debentures are convertible into Common Stock of the Company at any time on or before March 15, 2011, unless previously redeemed, at a conversion price of \$20 per share, subject to adjustment in certain events.



The First Boston Corporation

Borrowers flock to the **Eurosterling market**

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

shake the bottle for a long time while nothing comes out. he Then it all comes in a

The flood of Eurosterling bond issues since the Budget last month certainly fits this description. Buoyed by the relative strength of sterling, yields have fallen sharply cvd borrowers have flocked to the market. The chart shows how new fixed rate issue have liven running at record levels.

It all adds up to what some bankers suspect could be the start of something great for a market that up till now has operated in fits and starts. The most optimistic argue that the performance of sterling and UK interest rates even in the face of steeply falling oil prices means the pound has shaken off its petrocurrency status. That could open the door to a bond market less volatile than be-fore, with a steady flow of issues boosting the role of ster-ling in the international capital

Yet the question that bankers now have to decide is whether such ideas are for real, or whether they are just a flight of fancy. Some of the new issues launched since the Budget have met only limited demand, and the debate has been muddied by the sudden appearance of a string of UK corporate borrowers launching issues on hitherto unacceptably long maturities.

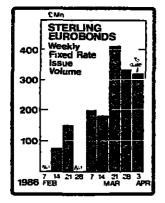
Eurosterling market has caught satellite market, far more the imagination of some Euro- limited in scope and importance pean investors, and recently than the much larger inter-Japanese investors too, at this national bond sectors in dollars, stage of 1986. The dollar has D-Marks. Swiss francs and yen. weakened markedly and they are looking to diversify into the market has outgrown its other currencies. Sterling still stop-go past. While this week's offers high yields compared cliche might be that sterling with other alternatives such as has lost its petrocurrency volawith other alternatives such as has lost its petrocurrency vola-the D-Mark, yen and Swiss tility, that could change over franc. And the cautious stance of the Budget has brought expectations of lower interest

Yet the market also now bears the hallmarks of a problem common in other sectors too. In their entbusiasm, new issue managers have overloaded the market with new paper and some recent bonds launched on

NEW ISSUE

The problem is that there are two strands to the market today.

One, which involves a structural change and the appearance of UK institutions as buyers of longer-dated bonds. tends to abscure the fact that for those retail investors in Europe who traditionally buy Eurosterling paper from time to time on mainly currency considerations, little appears to have changed. Their demand for sterling bonds has been lifted for the time being by the



relative oil prices, but it does not yet appear to be a once and for all shift into British cur-

From that perspective the Eurosterling market retains its It is easy to see why the oil characteristics. It is still a It is also far from certain that night if different factors rise to dominate bankers' thinking.

On the other hand the upsurge rates, with the accompanying in activity at the long-term end promise of capital gain. to promise something more permanent in the way of change. It started with a little-noticed change in London Stock Exchange regulations about a year ago which lifted the ten-year maturity limit on listing eligivery tight coupons, such as the bility for sterling corporate 91 per cent deal for Nippon Eurobonds. With the imposition

MR ANDREW WINCKLER of Credit Bank and the 9½ per cent in the UK Budget of a ½ per Lloyds Merchant Bank calls it bond for Industrial Bank of cent stamp duty on the trading the ketchup principle: You Japan have met a distinctly of domestic issues, it was natural for investors to seek a route into the Euromarkets and. starting with a £100m issue for Imperial Chemical Industries, a flood of longer-dated issues was launched for UK corporate

names. The issues coincided with an upsurge of demand among UK institutions for fixed rate paper as world bond markets took off in the wake of declining infa-tion. No-one wanted to be left out of a boom that took new issue yields on seven-year ster-ling paper down from 10.77 per

some oankers argue, by the activity of investment houses positioning themselves for the big bang later this year and the introduction of a US-style primary dealership system for UK government bonds. Ahead of this, some of the houses want to dip their toes in the water and to acquire inventory of longer-dated sterling paper.

Altogether the demand has

been great enough to allow corporate borrowers to issue bearer securities without the sort of restrictive financial covenants that the domestic market usually demands. That has removed one important obstacle to the development of a flourishing UK corporate debenture market even if it has blurred, probably permanently, the distinction between the domestic and international sides of the sterling capital

Most bankers say that what has happened in the sterling bond markets over the past few weeks is simply the develop-ment offshore of a sterling corporate debenture market that has little to do with the traditional Eurosterling market proper. Technical changes in the Budget have helped this process, but the compelling reason for this sudden change has been that the rates available to corporate issuers in the fixed rate market have all at once become attractive. Longterm rates are now at 20-year lows. What happens next depends heavily on whether the Government manages to keep

Novel equity warrant issues well received

against a fall in the underlying share price. One was a \$400m issue for Mitsubishi Corpora-tion, the largest ever with equity warrants, which met an nthusiastic reception.

The Eurobond market overall saw a continuing flood of new issues, with several borrowers braving the dollar straight sector as New York bond market prices appeared to be stabilising after the past few days' unsteady ride on the back of all prices. Although the over days' unsteady ride on the back of oil prices. Although the overall mood remained bullish, caution prevailed in the dollar sector, particularly as some issues launched earlier in the week were trading well outside their total commissions.

ling paper down from 10.77 per cent for Westpac Banking in the first week of March to 9 per cent for Nippon Credit Bank this week.

Demand was further boosted, some bankers argue, by the activity of investment houses the coupon will be indicated today. cated today.

The exercise premium 24 per

cent above the share price as is typical on such issues, will be reset in 1990 at the same pre-mium above the share price at the time. The concept, akin to an option on an option, would have little effect if there was a

TWO INNOVATIVE issues of sharp increase in the share bonds with equity warrants price. Investors would exercise were announced yesterday, the warrants and not switch offering investors protection into the higher exercise price. But in the event of a share price fall, which would normally make the warrant worthless, the warrants would be given value by the prospect of, and then the hange to a lower exercise

> Soon after the Chugoku issue was announced, Nikko Securities unveiled Mitsubishi's \$400m issue, with an eight-year life and 3) per cent indicated coupon. Merrill Lynch is joint lead and Citicorp Investment Bank one of the co-leads.

> The exercise price will be reset in 1991 at 2; per cent over the share price, but with a limit in each direction: a ceiling of no more than 120 per cent of the original exercise price, and a floor of 80 per cent. This tunnel was apparently set because the size of the deal would have meant that big swings in the share, and con-sequently the exercise prices would have made a significant difference to the borrower's capital. Equity warrant deals are

normally well received, but the Mitsubishi name helped the issue to rise to 1061 bid, 108 In the conventional dollar

per cent coupon and seven year life, priced at 101‡. The issue, for a non-rated although fairly well-known borrower, was seen as aggressive with a net margin at issue of 41 basis points over US Treasuries.

Merrill Lynch Capital Markers led a \$100m issue on its parent company's behalf, for five years with a 7½ per cent coupon and 100} price. The issue had a 61 basis point spread over Treasuries, seen as quite tight.

Manufacturers Hanover launched the first Eurobond issue for Italy's Cassa di Risparmio delle Provincie Lombarde (Cariplo), the world's largest savings bank. The zero-coupon deal, with a nominal amount of \$100m, was priced at 69.8 with a five-year life. The market saw the zero-coupon structure, which gave a spread-

sector saw a popular issue from Rabobank Nederland, led by Swiss Bank Corporation International. With a 10-year life, the Ecu 75m offering has a 71 per cent coupon and 101 price. It traded substantially within

its fees.
The Municipal Finance Authority of British Columbia made a C\$65.5m 15-year issue in a paper launched on Wednesday UBS (Securities) for Bell

Commercial de France as book-

straight sector. Nippon Rokan, issue supported by a "direct another 50m issue for Scotthe steel-maker, launched a \$100m issue led by Chemical subishi Trust and Banking, and Led by Hill Samuel, it continues therefore carrying an AAA ratible recent pattern of long-dated ing. The deal, led by Bank of issues for UK corporate borrowlife, priced at 101½. The issue, America International, has a ers with a 20-year maturity, for a non-rated although fairly five-year life, 7½ per cent coupon. Coupon is 9½ per cent with pricard 100½ price. It was launched ing at 100½, giving a 7½ basis five-year life, 72 per cent coupon Coupon is 92 per cent with pricand 1002 price. It was launched ing at 1002, giving a 74 basis at 65 basis points over Treapoint spread over gilts at suries.

The European currency unit—Housebold Finance of the US

made a Y18bn 10-year issue with a 6 per cent coapon, priced at 1011 by Mitsubishi Finance International.

The Swiss market continued to see a flurry of issues. The World Bank made a perpetual issue in Switzerland and a F1 200m issue in the Netherlands. Its SFr 250m issue, with a 51 per cent coupon and par sector which also gave a good pricing, was led by Union Bank reception to the first 20 year of Switzerland, and the Dutch deal by Algemene Bank Neder-

Other Swiss issues included: 'anada Uther Swiss Issues incurrent.

The MFA deal, with Credit a SFr 150m issue for Canon commercial de France as book. Sales, SFr 150m for Oesterreichunner, has a 91 per cent coulische Kontrollbank. SFr 100m for and par pricing. The awk- for Tabu Raitway, SFr 100m for for a borrower which had not swap, but the total requirements of individual municipal autismarks. The issuer's reasoning was that such issues, like long-dated straights, are more came at a 35 basis point spread volatile, and volatility is what investors want at the moment. The Society for Savings, Connecticut S & L. made a \$75m

The Eurosterling sector saw

for Tabu Raitway, SFr 100m for Tabus Raitway, SFr 100m for

Keating to join CSFB as **UK** economist

Mr Giles Keating, a top mone tarist economist from the London Business School, is to join Credit Suisse First Boston next month as its UK economist, writes Peter Montagnon.

The move comes as CSFB is rapidly but quietly expanding its research effort, which it perceives as a gap in services offered by many Eurobond

Research is one of the most important differentiating factors," Mr Richard Briance, a CSFB executive director. said yesterday. "There is a growing need for people who can pull together the various different trends that are moving so fast in international markets."

Mr Keating, who will be responsible for UK economic research at CSFB, is currently a research fellow at the Centre for Economic Forecasting of the London Business School

MARCH 1986

MoF smiles on Tokyo's offshore market

By Yoko Shibata in Tokyo THE JAPANESE Ministry of

Finance has breathed new life into the much discussed plan to establish an offshore market in Tokyo. The market is to begin operations this and the Government will restrict usage of loans borrowed from foreign exchange banks' special accounts at the offshore banking centre.

This was disclosed yesterday by Mr Toyoe Gyoten, director-general of the Finance Ministry's inter-national financial bureau, in answer to opposition parties' questions at a Parliamentary Finance Committee meeting. The creation of an offshore

market is designed to induce non-residents to conduct transactions with other non-residents in Tokyo. The mar-ket will operate at the time when the New York and London markets are closed.

The MoF predicts that the new market will not only reduce operating costs for many Japanese financial institu-tions, such as regional banks, which lack overseas outlets," but will also offer a broader scope of activity to foreign banks operating in Japan. The Tokyo offshore banking

facility is following the more conservative line of a similar facility in New York, rather than the pattern of the London market.

One uncertainty arises from the fact that the securities houses will not be permitted to operate. The Issuance of certificates of deposits (CDs) will not be permitted since the MoF considers that it would be difficult to block the flow of money between the domes-tic and offshore markets in

Another potential problem is leakage of funds between a largely deregnlated offsbore market and a domestic market where interest rate cou-trols and withholding taxes still apply.

SFr 1.64bn raised by Eurofima

By William Dulfforce in Geneva EUROFIMA, the joint stock company owned by 16 European national railways, raised the equivalent of SFr 1.64bn (\$840m) in medium- and long-term fivancings last year, for 1985. This was SFr 216m less than in the previous year. Of the 1985 total, SFr 243m were used for refinancings, SFr 155m were not due until this year and SFr 1.24bn were

made available to 12 share-holders for the purchase of rolling stock. The Basie-based essentially a financing instru-ment for the railways, is estimated to have financed about a quarter of its share-holders' investments in roiling stock in recent years on terms better than the railways have achieved on their

SWISS FRANC

At the end of 1985 the outstanding debt of the railways amounted to SFr 8.44hm, of which 41 per cent was in Swiss francs and 21 per cent in I)-marks. The three main beneficiaries of the borrowing were the maional railways of France. Italy and West France, Italy and West Germany
In its 1985 report Eurofiroa shows a net income of SFr 28.5m. up by SFr 1.5m, and

28.5m, up by SFr 1.5m, and proposes to pay the statutory dividend of 4 per cent on the paid-up capital of SFr 250m. An allocation of SFr 17m to the reserves raises them to SFr 144m. With a share capital of SFr 750m, this gives a total equity of SFr 894m against borrowed capital of SFr 8.5hn.

\$238m Olympic credit for NBC

A US\$238.2m letter-of-credit confirmation facility for by NBC under a standby letter of-credit facility provided by tion of the US in relation to the 1988 Seoul Olympic Games

The claims comprise drawings firmation fee for the facility. Terms are not disclosed.

BA Asia, Dai-Ichi Kangyo Bank, Credit Lyonnais, Dresd-the 1988 Seoul Olympic Games

If KEB fails to make the ner Bank and Orion Royal has been launched by a group required payment under the Pacific have joined of banks, according to BT Asia, facility, the underwriting banks, lead underwriters. the lead underwriter, Reuter

reports from Hong Kong. NBC has just signed a commercial contract for US television rights of the 1988 games. The contract provides for certain conditions under which NBC can claim refunds and other payments from the Seoul Olympic Committee.

commitment fee, and a con- of credit facility.

BA Asta Dai-Ichi Kangyo Bank, Credit Lyonnais, Dresd-ner Bank and Orion Royal Pacific have joined BT Asia as

which provide NBC with a confirmation of the facility, will underwriters are now being pay NBC instead. The underwriters are there-fore taking KEB's risk, and not in addition, a number of that of the Olympic broadcasts banks will be invited to share ing contract. the risk of the underwriters.

NBC will pay the banks in vide confirmation for the letter volved a management fee, a But these banks will not pro-

FT INTERNATIONAL BOND SERVICE

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These Debentures have not been registered under the United States Securities Act of 1933 and may not be offered, sold or delivered in the United States of America or to nationals or residents thereof;
These Debentures having been sold, this unnouncement appears as a matter of record only,

U.S. \$300,000,000

9% Debentures Due 2016

Credit Suisse First Boston Limited

Salomon Brothers International Limited

Nomura International Limited

Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited

Julius Baer International Limited Banque Nationale de Paris

Goldman Sachs International Corp.

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Algemene Bank Nederland N.V.

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Compagnie de Banque et d'Investissements, CBI Daiwa Europe Generale Bank

Hentsch & Cie Manufacturers Hanover IBJ International

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Mitsubishi Trust & Banking Corporation (Europe) S.A. Mitsui Trust Bank (Europe) S.A.

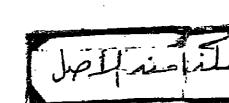
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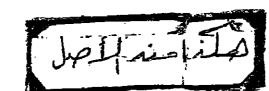
Swiss Volksbank

J. Henry Schroder Wagg & Co.

Westdeutsche Landesbank

Shearson Lehman Brothers International Yamaichi International (Europe)





All of these securities having been sold, this announcement appears as a matter of record only.

\$1,500,000,000



exy Occidental Petroleum Corporation

\$600,000,000 10% Senior Notes due March 15, 1991 \$300,000,000 10½% Senior Notes due March 15, 1993 \$600,000,000 10%% Senior Notes due March 15, 1996

Drexel Burnham Lambert
INCORPORATED

Donaldson, Lufkin & Jenrette SECURITIES CORPORATION

Kidder, Peabody & Co.

Shearson Lehman Brothers Inc.

Dean Witter Reynolds Inc.

All of these securities having been sold, this announcement appears as a matter of record only.

\$1,000,000,000



Occidental Petroleum Corporation

11¾% Senior Debentures due March 15, 2011

The First Boston Corporation

Salomon Brothers Inc

March 1986

Burton

had been invested in Deben hams. Capital spending for the year was expected to total about

£110m, with some £40m of this going towards improvements in

Debenhams' merchandise ranges

Apart from Debenhams, the group would be adding 66 addi-

Group debt had risen from around £250m at the year end to a figure "in excess" of 300m

and was expected to remain around this level for the rest

It is expecting to realise

about 10m from the sale of

US property assets and also wants to sell Debenhams chain

of US shoe shops.
A breakdown of group turn-

hams businesses.

במק לאומי bank leumi

and selling environment.

1985

Burton Group, the retailer, yesterday announced interim pre-tax profits of £74.3m, more than double the £34.7m re-corded in the same period of last year.

However, the figures are not directly comparable since this year's include a first time contribution from Debenhams, the department store chain acquired in a £560m takeover battle last

August.
The figures were in line with market expectations and Burton shares closed at 348p, unchanged

on the day.

Earnings per share are 8.6p (6.15p) and the interim dividend is being increased from 1.25p to 1.6p.

The group said that in the 26 weeks to March 1 sales totalled £620.5m, compared with £263.9m in the same period of last year. Trading profit was last year. Trading profit was £91.7m (£34.6m) and net interest was £17.7m (£0.6m).

Sales, excluding Debenhams, were up 28 per cent, with mar-ket penetration increasing through the addition of new shops, modernisation pro-grammes and the extension of merchandise ranges.

Debenhams sales rose by 11 tional shops and modernising 66 per cent, compared to an 8 per existing ones. cent figure given in January at the time of the Burton AGM. The company said this reflected a strong finish to the first half.

It declined to spell out Debenhams contribution to pro-fits but said the core Burton reduce it to around £200m in a businesses had broadly main-tained their trading margins. the disposal of some Deben-

confirmed that Debenhams had met the £60m pre-tax profit forecast for the year to February I which it announced during the takeover battle, and had been helped to do so by new Burton outlets introduced the department stores during the period.

There have been 850 job losses at Debenhams as part of (£124.5m) and home and other activities with £227.5m

a post acquisition rationalisa-tion.

appart of activities with £82.7m this time.

Mr Halpern said that the

tion.

Mr Ralph Halpern, Burton's chairman, said Debenhams had contributed to the increase in contributed to the increase in the group's clothing market share to nearly 9 per cent.

Champion Sports—continue to make good progress and will trade from 135, 65 and 63 out-Capital expenditure in the lets respectively by the end of first half totalled £53.4m the financial year. (£33.7m), of which some £14m See Le

Guinness not to raise offer for **Distillers**

night that it would not be in-creasing its bid for Distillers today, the final date on which it could have done so, and that its existing offer was

final.

This surprising twist to the long-running battle between Guinness and Argyll Group for control of Distillers leaves the Guinness share offer about 20p higher than Argyll's, valuing each Distillers share at 750p and the whole company at 2.72bn. But Argyll's 660p cash alternative is 30p higher than that of Guinness.

Guinness's reasoning in defying market expectation appears to be that a rise in the value of the share offer would probably be negated by a drop in its share price and that the cash alternative is now of little importance in the outcome.

Guinness is relying on the fact that the Industrial logic of its bid will be seen as superior to that of Argyll's and that it can win even if Argyll's valuation of Distillers was to pass its own.

The company said yesterday in a circular to share-holders: "Guinness and Distillers are in the same business at home and abroad and are a natural fit. Argyll is not in the same business it is mainly a supermarket husiness operating in the

Mr David Webster, the Argyll finance director, re-torted: "Guinness have denied themselves an opportunity to place the issue be-

Guinness also announced that its profits for the year will not be less than £130m and that earnings per share of the combined Guinness and Distillers company in 1986 would be not less than earnings per share of Guinness on its own. "This confirmation has been made after discussion with the Papel on Takeovers and Mergers." said Guinness.

By David Goodhart

Guinness announced last

assume that they have not been able to."

Guinness closed 14p up at 341p, Argyll was 15p up at 360p and Distillers closed 12p

David Churchill looks at Dixons' £1.75bn takeover approach to Woolworth

Another High Street battle in store

£10.7m

300-

Dixons Group

WESTONS

Turnover

"IT WILL take seven years to get the Woolworth operation right." asserted Mr John Beckett in late 1982 when chairman of Paternoster Stores, financial consortium the mancial consortuin brought together by the City to buy out one of Britain's biggest retailers from its US parent for some £315m.

Mr Beckett retired as Woolworth chairman last Monday, half-way through his seven-year plan for the stores chain but confident that Woolworth was now on course to become a major retail force again in the late 1980s and beyond.

Last week the 875 Woolworth Last week the 6.75 wootword High Street stores turned in trading profits for the year ending February 1 1986 of £17.6m. after a loss in the previous year of £5.1m. Group pre-tax profit was up 43 per cent to £81.3m on sales of £1.8hm £1.8bn.

"We know what we want to do with the stores and we have the management team to do it." were his final words as chair-man before retiring to the Isle

Yesterday, however, the Dixons Group gambled that the City backers who financed the 1982 takeover were becoming disenchanted at the slow progress in bringing the wonder back to Woolworth.

Dixons launched a takeover bid for Woolworth valuing the stores group at some £1.75bn—a bid that was imme-

diately rejected by Woolworth as being "derisory."

The scene is now set for yet another bitter takeover battle between retail groups determined to re-shape Britain's

High Streets.

Dixons, itself, was involved in one of the most vitrolic bid battles of recent years when it took over the rival Currys chain late in 1984 just when familyrun Currys was celebrating its centenary.

What has sparked off the series of retail mergers in the

mid-1980s was the failure of some major store groups to adjust to an era of low inflation and recession. Rapidly rising prices in the late '70s masked the managerial deficiences in many store chains same in the same in t

than improve productivity -

sumers were increasingly looking for them to offer a concept that met with their perception



Mr Stanley Kalms, chairman

of the Dixons Group of the lifestyle they wanted to rather smugly rested on its lead.

Dixons has emerged in the potential in post war Britain. manag 80s as one of the new breed of successful retailers because in has capitalised on both these Mr Stanley Kalms, Dixon's chairman, has secured a hard-won reputation in the City for

running a highly professional retail management team — "retail engineering," as Mr Kalms likes to call it. Strict attention to retail sys-

tems — stock control, merchandising, and cash flow — enabled Dixons to thrive when the retail going started getting tough in the early 80s.

At the same time, Dixons had overcome its rather tarnished image in the 70s to cultivate the young, upwardly mobile and seeking the latest audio and predominantly male customers' video products. "Dixons has established a niche as the shop for buffs to go for high-tech," points out Mr Nick Bubb, a retail stores analysts with stockbrokers Scrimegours. While Dixons has so far

successfully tackled the chang-ing — and competitive — retail environment of the 1980s, the same cannot be said for Wool-

Frank Winfield Woolworth while the recession also coincided with significant changes in consumer buying patterns.

Retailers found that consumer were increasingly look. strategy become that by the end of the 1930s Woolworth had become Britain's most successfu retailer with a larger portfolio

40 -Pre-tax profits 20ment.
In mid-1984, Woolworth's management started to concentrate on their marketing strategy. Six key product areas were identified, design consultants were brought in, potential in post war Britain.
By the early 1980s the compuny was in a sorry state, kept
afloat only by the sheer size
of its operations. The US
parent — with problems of its
own — was only too pleased to
sell the UK company to Paternoster in late 1982.
The City institutions behind
Paternoster brought in Mr and several new retail concepts were experimented with.

Last week Woolworth per-haps expecting a takeover bid to noster in late 1982.

The City institutions behind Paternoster brought in Mr Beckett to turn the business and was planning to drop selland after he had failed to save British Sugar from an unconcentrate instead on six areas wanted takeover by S & W which were slightly different to Berisford. (Berisford itself is now seen as a possible take These were: children's wear and toys; stationery and confections.

Mr Beckett brought in Mr Geoff Mulcahy and Mr Nigel Whittaker from British Sugar and set about carrying out fairly basic "good housekeeping" measures such as pruning product ranges, selling off un-wanted stocks, and reducing head office administration.

At the same time, about 150 stores have been disposed of to furbishing the remaining 875 stores but also to enable the company to buy the Comet elec-trical discount chain in 1984. (Dixons plans to sell off Comet avoid possible conflict with the Monopolies and Mergers Commission). This acquisition was aimed at spreading the group's retail operations to make it less dependent on the

High Street variety stores.
Its dependence on the main

Those arguing in favour of the

preference offer for Kenning -

itself a rare move which has

appeal in a rising market—are supporting the need for a

ware; and personal care

seen as it is being coy about

its new strategy which it believes can be more successful

merate (from parts, fuel

to the used car market) could

work. In the past integrated motor groups have suffered from not being fleet enough of

Dixons, however, was not

products.

CURRYS stores £24 8m



immediate return. In the longer term, however, it intends to create an "exciting and coherent chain of home, entertainment, and leisure stores," but is a bit vague about exactly what this means.

Areas such as children's cloth-

ing stationery, and cosmetics will disappear from Woolworth stores and instead there will be greater concentration on audio and video equipment, domestic appliances, and diy and garden-

ing products.

Dixons also rules out any large-scale disposals of sites—although as many as 200 stores

could go—
The prospects for Dixons succeeding in its take-over bid will depend largely on the views of the City institutions who backed Paternoster. tionery: records, cassettes, and video tapes; diy products and horticulture; table and kitchen-

Certainly, Mr Kaims made clear yesterday that he is not seeking any seven-year period in which to put Woolworth Dixons, however, was not impressed. "There is no in which to put Woolworm coherent product range in right. "There's no such thing as Woolworth stores." said Mr the long-term in retailing," he Kalms yesterday. "They are all over the place."

Dixons also estimates that

One unexpected consequence

over the place."

Dixons also estimates that sales per sq ft for the latest financial year were £127 and profits per sq ft were £8, on Sunday trading. Woolworth compared with £552 and £44 is one of the main lobbyists in respectively for the core support of scrapping all conditions chain in the year ended trols on shop opening hours but may find itself too busy fending off Dixons to help see the Sunday through its What exactly Dixons will do off Dixons to help see the Sunto Woolworth remains to be day Trading bill through its crucial Parliamentary stages. Moreover. Dixons is not

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results and it may

in the day to the

there have been at both the old TKM and at Kenning; Mr

Brierley already shows a capital gain of around £80m on his

punters who join him will be looking for more. The price

seems generous enough given

強調器は高い質は

£16.2m investment and

bank leumi le-Israel b.m

CONDENSED CONSOLIDATED STATEMENT OF CONDITION OF BANK LEUMI LE-ISRAEL B.M. AND ITS SUBSIDIARIES AS AT 31 DECEMBER 1985

| | Adjusted for the effe | ect of inflation* | |
|--|--|---|-----------------------------|
| | - | (in the | tsands) |
| | | New Israeli | |
| ASSETS | | <u>Shekels</u> | U.S. Dellars** |
| Cash in hand and deposits wit | h central banks | 5,692,383 | 3,796,187 |
| Deposits with banks | | 5,853,590 | 3,903,695 |
| Debentures for investment | | 1,068,397 | 712,502 |
| Shares for investment | | 147,328 584,646 | 98,251 389,894 |
| Securities for trading Loans to the Government | | 364,040 | 307,074 |
| (principally deposits with the | Treasuru) | 7,849,374 | 5,234,661 |
| Loans to the public | | 11,333,790 | 7,558,380 |
| Bank premises and equipment | t · | 622.018 | 414,817 |
| Other assets | | 105,629 | 70,443 |
| | | 33,257,155 | 22,178,830 |
| LIABILITIES AND SHAP | EUNI NEDEJENI | | - |
| | ENVLDENS EQU | 21.408.697 | 34 027 004 |
| Deposits by the public | | 21,408,097 3.078,178 | 14,277,224 |
| Deposits from banks | | | 2,052,803 |
| Deposits for the granting of lo | ans | 2,907,928 | 1,939,265 |
| Non-convertible bonds, capita | i notes | 4 001 050 | 0.001.000 |
| and debentures | | 4,381,058 | 2,921,679 |
| Other liabilities | | 297,154 | <u>198,169</u> |
| Total liabilities | | 32,073,015 | 21,389,140 |
| Outside shareholders' interest | • | 78,152 | 52,119 |
| Shareholders' equity | | <u>1,105,988</u> | <u>737,571</u> |
| | | 33,257,155 | <u>22,178,830</u> |
| CONDENSED CONSC FOR THE | LIDATED STA YEAR ENDED 3 Adjusted for the effect | 31 DECEMBER, 1985 | AND LOSS |
| Operating profit before taxation | | 186,554 | 124,410 |
| Provision for taxation on oper | ating profit | 75,050 | <u>50,050</u> |
| Operating profit after taxation | 1 | 111,504 | 74,360 |
| Group's equity in net profits o unconsolidated subsidiaries | f | | |
| unconsolidated subsidiaries | | <u>(26,802)</u> | <u>(17,874)</u> |
| | | 84,702 | 56,486 |
| Outside shareholders' interest | | (1,706) | <u>(1,137)</u> |
| Net profit for the year | | <u>82,996</u> | 55,349 |
| * On the basis of the Consum ** Arithmetically converted fro on December 31, 1985 NIS 1 | m New Israeli Sheqels : | ember, 1985 at the representative rates of e y for the convenience of the rea | kchange prevailing ader. |
| | | 31 December, 1985 of aking Subsidiaries | |
| Bank Leumi Trust Compa 24 Branches (In US\$ Thousands) | ny of New York | Bank Leumi le-Israel 5 Branches (In FFr Thousands) | (France) S.A. |
| Total assets Net profit | 2,822,490 11,083 | Total assets Net profit | 2,881,654 6,521 |
| Bank Leumi (UK) plc 6 Branches | - | Bank Leumi Le-Israel 3 Branches | (Switzerland) |
| (In £ Thousands) | _ | (In SFr Thousands) | |
| Total assets | 390,089 | Total assets | 599,829 |
| Net profit | 1,050 | Net profit | 8,651 |

Kenning management under fire from TKM

supporting the need for a from not being fleet enough of change of management for there foot, as a result value added is little as yet for TKM to boast has been grabbed off them by about in its own performance. What Mr Brierley may have structure might be possible if worked out — and his various toes by not being integrated in stakes suggests his moves at the old way. Kenning has done

MR RON BRIERLEY'S Tozer

TKM has a broad spread of motor related activities and be-came part of Mr Brierley's grow-

Companies run by the New Zealand entrepreneur own al-most two-thirds of TKM. Other Brierley group members hold a 29.99 per cent stake in the bid target. Kenning.

Two weeks ago, when TKM first announced its bid, the board of Kenning rejected the offer as inadequate. Yesterday the company said that this was still its position and that it would be writing to sharehold-ers in due course. The offer document describes

Kenning's recent record as "dis-mal" and charts a declining trend in pre-tax profits, operat-ing margins, return on capital employed and earnings per share in recent years.

"Kennings management strategy appears to lack both direction and logic." claims TKM, it "allowed itself to be distracted by moves into other activities" and "had no business to indulge in such exotic diversification when so much clearly needed to be done in solving serious problems on

LADBROKE INDEX 1.425-1,429 (+6) Based on FT Index Tel: 01-427 4411

groups already well established TKM and Kenning are guided many of the right things byt in Australia and New Zealand. by a plan — is that an auto these have not produced the

Kemsley & Millbourn yesterday barshly criticised the management of Kenning Motors in the formal offer document for the car hire and sales group. TKM is bidding almost £100m in convertible preference shares for

ing UK interests in the course of a debt reconstruction last

" Kenning's managemen

their own doorstep."

The offer, seven new 8.5 per cent convertible preference shares in TKM for every four ordinary shares in Kenning, is backed by a cash alternative of 135p per share. Last night, TKM's ordinary shares closed up 1p at 142p and the existing 8.5 per cent convertibles were unchanged at 135p.

TKM's preference shares are convertible on a one-for-one basis into ordinary shares on June 25.

TKM also published its results for 1985 yesterday. Group turnover was flat at £419.7m (£415.1m) and pre-tax profits before exceptional items totalled £6.05m (£5.24m). After £1.65m in exceptionals, profits were down on last year's £5.24m at £4.4m.

comment

Industrial Equity Britain appears to have been born in the shape of TKM. Ron Brierley is a past master at running barely majority owned open-tions — with two £1bn such

Excellent Year For BNP

The Chairman, Lord Hunt of Tanworth GC8, reports:

In 1985

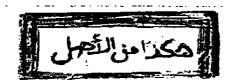
- Operating profit rose 69% to £25.9
- Profit after tax up 73% to £10.6
- Assets increased from £2.69 billion to £2.83 billion
- Return on capital and reserves 16%
- Substantial increase in FX dealing
- BNP three times larger than in 1980

Banque Nationale de Paris p.l.c. 8-13 King William Street, London EC4P 4HS, Telephone: 01-626 5678, Telex: 883412 BNP LNX

Also in Knightsbridge, Berkeley Square, Birmingham,

Leeds, Edinburgh and Manchester BNP Group Head Office: 16 Boulevard des Italiens, 75009 Paris

Copies of the BNP p.l.c. Annual Report are available from the Company Secretary



Aspromised, they have delivered a handsome profit.



Clearly, the investment that we have made in Debenhams is paying off.

But then we always knew Debenhams fortunes would follow in the footsteps of the Burton Group as a whole. As a group we have recorded sales of £620.5m. (Up 135% on last year.)

Our pre-tax profits are up by 114% to £74.3m. And our interim dividend has jumped from 1.25p to 1.6p.

At £53.4m, our half year capital expenditure has

never been higher.

And whilst the number of jobs has increased by over 2,000, the number of new trading outlets opened stands at 64.

Our commitment to British-made goods has never

been stronger either. Currently up another £62m, we fully intend the figure to grow and grow.

The investment in our community employment initiative (one of the largest in the private sector) is also considerable.

We're helping 150 new business ventures get off the ground.

Certainly, we can't be accused of not trying out some new ideas.

Which is why we believe we will remain an exciting company to work for. To buy from. And to invest in.

The Burton Group plc.

Creating a wider choice.

Reckitt shares boosted by results

THE CITY welcomed the results f162m. of Reckitt and Colman by marking the shares up by 64p to 9000 after the company exceeded most forecasts. It had been expected that it would report pre-tax profits for the year to January 4 1986 of about £120m, but came in with £123.39m, an increase of 16 per cent on last year's £106.4m.

Left alia in the per cent on last year's £106.4m.

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The main improvement was seen in the household and tolletry division where profits rose from £44.8m to £57.3m.

The directors say that the notation interest charge, at £1.93m, was low. That was due to successful cash management and to the full cash management and to the control of interest payable on the control of the its consolidation on March 1 contributed trading profits of

The directors say that the America, 52.6 per cent in the confidence of the chairman at year under review against 39.7 the interim stage was borne out

Turnover improved by 13 per cent from £1.12bn to £1.27bn Airwick contributing helped

£162m. From earnings per share of 48.22p (41.94p) the dividend is being increased from 14.3p to 16p with a recommended final payment of

exclusion of interest payable on the Airwick acquisition before contributed trading profits of flim.

The food and wine division also contributed an increase of almost £5m to £31m.

The food and wine division the figure by about £3m.

They add that the increase in the share of the group's profits coming from Europe and North per cent the previous year, showed the quality of growth

Airwick acquisition tax profits of £40.3m (£36.7m);
make the North rest of Europe £244.1m

which was achieved.

American household products business viable. Together with the disposal of the US potato business and the following restructuring of the US food division North America pro-duced profits of £14.61m, against losses last time of £3.22m.

Group trading profit came out t £125.32m (£105.88m) with interest charges of £1.93m (£520,000 received). The tax charge was £46.2m (£45.88m) and after minorities of £5.54m (£5.12m) and preference dividends taking an unchanged £160,000. attributable earnings were £71.49m, against £55.24m last time.

were extraordinary There items of £9.6m (£200,000) representing costs after tax of inte-grating Airwick of £11.53m less gains on other items of £1.93m. Dividends absorbed f23.72m A geographical breakdown of the results showed UK turnover of £345.2m (£317.2m) and pre-

North America £302.6m (£242.8m) £14.6m (£3.2m loss); Australasia and Asia £216m (£231.1m), £31m (£31.1m); Africa £74m (£110.4m), £13.2m (£18.5m) and Latin America (£93.9m), £107.1m (£15.1m). A breakdown by products showed that household and

showed that household and toiletry had sales of £584.8m (£418.9m) with pre-tax profits of £57.3m (£44.8m); food and wine £441.1m (£472.4m), £31m (£26.3m); pharmaceuticals £119.6m (£114.7m), £24.1m (£24.5m); colours £33.4m (£20.7m), £76.4 (£54.7m); (£24.5m); colours £33.4m (£29.7m), £7.6m (£6.4m); industrial cleaning £61.6m (£63.5m), £1.8m (£2.3m) and fine art and graphics £26.4m (£24.2m), £3m

At the annual meeting next month Sir James Cleminson will be retiring as chairman to be replaced by Sir Michael Colman, who is already a member of the

Cluff Oil £9m in the red

by the results.

A DECISION to write down the book value of certain assets by £8.3m pushed losses of Cluff Oil Holdings up from £635,000 to £9m pre-tax in 1985.

However, Mr Algy Cluff, the chairman, says lack of debt. strong cash balances and alternative sources of revenue enabled the group to court through the difficulties of the year and to face 1986 from a securely-based position.

He explains that the writedown was considered the only prudent course of action in the light of weak oil prices. After the write-down net assets per share were 52p, not including the surplus reserves of the Royal Family Gold Mine.

Mr Cluff adds that with no borrowings and with the additional benefit of increasing chester adding a net 78,000 sq ft revenues from gold production of retail space. The company the group is well positioned to take advantage of the opportunities which presently exist in the mining and oil sector.

Turnover for 1985 advanced from £2,67m to £2,98m and gross profits emerged at £233,000 (£499,000) after depreciation and operating expenses which totalled £2.75m preciation (£2,18m) — the group's shares are traded on the USM.

Available losses came through at £9.16m, against a previous £218,000, after taking account of tax of £104,000 (£183,000), minorities of £352,000 minorities of £352,000 (£103,000) and extraordinary debits of £424,000 (£497,000

Wm Morrison advances 34%

Wm Morrison Supermarkets reports a record 12 months to and managing director, says the February 1 1986 with taxable policy was introduced so that profits rising by 34 per cent and turnover up by 9.4 per cent. The Bradford-based company

saw profits rise to £15.7m com-pared with £11.73m for the 53 weeks to February 2 1985. Turnover excluding VAT improved by £31.75m to £367.99.

Earnings per 10p share came out at 9.94p (6.92p) and the directors are recommending a final payment of 1p, against an adjusted 0.825p, making a total for the year of 1.35p (1.1p).

They say that on a compar-able 52 week basis turnover rose by 11.2 per cent, of which new openings accounted for 2.2 per cent, inflation 4.5 per cent and

During the period two stores were opened, in Rotherham and Killingworth, Tyne and Wear, and a start was made on a third in Dukinfield, Greater Maning from developments under construction which added £671,000 to profits in the year

ACT (Computer Services') managing director, Mr John Jerman, and a management team of eight, have completed a management buy-out of the company from Apricot Com-puters for fim. The Grosvenor Technology Fund has taken a 40 per cent interest in the equity, and the management has subing 60 per cent. ACT has a turn-

At last some help for the hard pressed Imperial shareholder.

The next closing date of our offer is April 11 at 3 pm.

of each of the offers for your company.

Mr K. D. Morrison, chairman development costs would be re-flected more accurately and because high interest charges would be likely to unfairly distort the company's performance.
Operating profit came out at £15.85m (£12.89m) with a further £71,000 (£64.000) from share of associate and net in-terest received adding £568,000 (£608,000 payable). The pre-tax figure was struck after profit share to employees of £787,000

(£614.000). The tax charge was £6.51m (£5.35m) and dividend absorbed £1.25m (£1.02m). leaving re-tained profit at £7.94m, against £5.37m).

In the present year work will the remaining 4.5 per cent represent year work will be present year work will present year work will open between early ing units.

During the period two stores were opened, in Rotherham and Killingworth. Tyne and Wear, 21,000 sq. ft. 31,000 sq ft.

comment

Latest prices:

Mindful that share prices can vary daily, we are publishing a bulletin showing the value

In order to be perfectly fair, the values we've quoted are based on the best possible offers.

HANSON BID WORTH:

UNITED BISCUITS BID WORTH:

HANSON BID BETTER BY:

Capitalised interest charges are about as common as cans of

supermarkets but capitalised "interest forgone" is a rare delicacy for the market to savour. Although gross interest charges amounted to no more than £326,000, Morrison takes the line that but for its store opening programme its bank balances would have earned an extra £671,000 — three times the actual figure for interest received. So the pre-tax line is inflated by said amount lifting the overall result to £500,000 or so above the bulk of market forecasts. The shares rose 16p to 200p. The new accounting policy will lift around film of costs off the p and I account this year, so earlier forecasts need to be revised upwards to at least £18m pre-tax for a p/e of 16. Investors taking a view of takeover prospects might be better off with Hillards but Morrison has a sound track record and while increasing the selling area by a third in the next 24 months will put a short term brake on profits growth, the company should continue to attract strong investor following.

Date Corre- Total Total

DIVIDENDS ANNOUNCED

| | Current | | sponding | for | last |
|-------------------|---------|----------|----------|------|------|
| 1 | payment | payment | div. | year | year |
| Abbey Life | | _ | _ | 6.9 | _ |
| Burton Group int. | | July 25 | 1,25* | _ | 4.4* |
| Druck Hidgs; int. | . 1.8 | May 22 | | _ | 3.6 |
| Ealing Electrot | 15 | . May_27 | | 1.5 | |
| Ealing Electrot | 3.25 | July 1 | 2 | 3.75 | 25 |
| Ibstock Johnsen | | | 2.75* | 4.8 | 40 |
| JSD Computer# | 1.1 | Мау 30 | 1.3 | 2.1 | 1.5 |
| Wm. Morrison | 1 | | 0.83+ | 1.35 | |
| Reckitt & Colmant | | July 3 | 8.8 | 16 | 143 |
| Wayne Kerr‡ | | | | 1.5 | |
| Weir Group | | May 23 | 2.13 | 2.88 | 2.5 |

scribed £130,000 for the remain- Dividends shown in pence per share except where otherwise stated * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

Jaguar in the lead with exports of £500m

BY LIONEL BARBER

£3.50 a share, at a total cost of

The move has fuelled City speculation that Berisford is preparing for an agreed bid by Ferruzzi, the Italian food and

agricultural group, which wants to acquire British Sugar in order to bost its European mar-ket share. Berisford said it was

"committed to manufacturing British Sugar as a separate sub-

£210m.

Jaguar Cars' exports passed the £500m mark for the first time last year, giving it clear leadership in car exports from the UK.

vehicles 29,683 The exported worth £562m, repre-sented about 40 per cent of the UK total and compares with an estimated value of Rover exports of

Jaguar's further improved performance last year led to its chairman and chief execu-tive, Mr John Egan, more than doubling his remuneration, from £86,366 in 1934 to £172,959.

In part, this reflected the departure as chairman during the year of Mr Hamish Orr-Ewing, and the assumption by Mr Egan of both top roles.

However, Mr Orr-Ewing's role was non-executive, a position for which he was paid £17,994 in 1984. Mr Egan was paid £147.611 Mr Egan was paid £147,£11 as chairman last year, with the balance made up of bonuses based on company performance. As previously reported, Jaguar's pre-tax profits increased to £121.3m, compared with £91.5m in

Jaguar's exports have increased by an average of £100m a year since 1980, when Mr Egan was appointed by former BL chairman Sir Michael Edwardes either to revive the then loss-making

company, or to close it. In unit terms, last year's exports accounted for 80 per cent of Jaguar's total output, which reached 38,500 units. Jaguar has stated publicly that it expects to expand production further this year to 42,000 units.

However, with demand still exceeding supply, the com-pany is understood to beseeking ways of expanding production above the declared larget.

IN BRIEF

KLEINWORT BENSON GUI Fund's net revenue increased from £1.96m to £2.13m in the year to April 1 1986. A final year to April 1 1950. A maa; dividend of 29.96p gross makes a total of 124.5p (120.88p). Net asset value per participating share rose to £13.48 (£11.26).

JOHNSON MATTHEY Bankers has completed the £5.5m sale of its wholly owned Hinton Hill Group to W. S. Moody Holdings.

NATIONAL PLASTICS has completed negotiations to sell its Ekco plastics injection moulding business based in Southend-on-Sea, Essex, to Lin

BROTHERS, through debt factoring subsidiary Century Factors, has taken on the majority of the debt portfolio of Brown Shipley Factors. The value of the debts transferred is in excess of £4m, which represents a substantial increase in to e in the advances made

MARTIN CURRIE Pacific Trust in its first annual figures since gaining a listing last year reports net asset value per 50p share of 125.7p at February 28, 1386. Directors are recommending a single final payment of 0.45p. Gross revenue was £317,000 for the year to the end of February 1986, with net revenue of £75.600 and earnings per share of 0.63p. per share of 0.63p.

THE OFFICE of Fair Trading is examining a complex £210m dividend loan swap between 8 & W Berisford, the commodity trader, and its wholky owned subsidiary, British Sugar, owned subsidiary, British Sugar. It may affect undertakings given when it acquired Bridsh Sugar in 1982 after a bitten 1240m takeover battle. It is required to ensure that British Sugar "is maintained as a separate group of companies without major changes in the activities or the purpose of the group as a whole." Berisford confirmed that it granted a £210m interest free loan, repsyable over ten years, to British Sugar. The announcement follows the disciosure on Wednesday that British Sugar declared an interim dividend to its parent of £350 a share, at a total cost of

OFT examines complex

British Sugar loan swap

Mr Ephraim Margulies, chair-man of S & W Berisford

to pay a dividend of £75m, but without a similar loan. It sought OFT guidance but subsequently

dend/loan swap as a housekeep-ing exercise, redressing the balance of capitalisation inside the group.

sidiary with a strong base of long-term capital. Analysts said that the loan dividend swap would increase British Sugar's gearing to be-tween 40 and 50 per cent by ex-British Sugar, which is also being eyed by Hillsdown Holdings and Tate and Lyle, could command a value of about £400m. But the Berisford group is only valued at about £430m, changing equity for debt. Meanwhile the rump of Beris-

week. They include tea, timber, pepper and plantations in companies based in a variety of countries such as Papus, New Guinese the Cayman Islands, West Germany, Britain and the US. The 1985 accounts were qualified by Berisford's auditors, Spicer and Pegler in the light Spicer and Pegler in the light of a £35m provision aga st Habilities in tin trading.

Mr Ephraim Margulies, Beris Mr Ephraim Margulies, Berisford's chairman, has appointed
Citibank as an adviser in addition to Charterhouse. It is
understood that the US bank is
advising Mr Margulies on the
possibility of a leveraged buyout of the rump commodities
business, should a bid materialies from Florenzi Taxon Elizalise from Ferruzzi, Tate or Hills-

Berisford said yesterday that it had held talks with all these parties but none had yet made a firm proposal in relation to British Sugar orthe group as a

cnarterhouse Japhet, Beriford's advisers, confirmed this plan but declined to comment stake from 8.2 per cent to 9.1 on why the dividend had now per cent, would dearly like to increased. It described the dividend/loan swap as a househouse acquire British Sugar, which has margins on beet far higher than Tate's sugar refining business. But Tate faces huge obstacles in convincing the Government and the OFT that a British Sugar bid would not infringe competition rules.

Equally, Ferruzzi faces concpetition, both in Britain and in Brussels.

ford's commodity trading interests would improve its position by shedding the £209m
debt incurred buying British
Sugar.

Late last year, Berisford considered requiring British Sugar

which appears to undervalue the
ramp'/commodity business.

Berisford's commodity trading ning to break in the Berisford
interests are run within 110 story. Tate shares closed up 5p
subsidiary and associate comat 648p; Hillsdown rose 8p to
panies, according to the 1985 close at 276p; Berisford rose
sidered requiring British Sugar

Acorn looks to new products as losses show big reduction

THE troubled Acorn Computer December were well within revenue account we are confi-Group incurred losses of £2.94m available credit facilities of dent that we have defined the pre-tax in the six months £16m. right strategy for the company pre-tax in the six months £16m. right strategy for the company ended December 31, a figure in During the six months Acorn and provided a sound platform line with the directors' expecta- also tightened its internal man- for a profitable future." tions at the time of the second agement structure so as to con-

problem of excess stocks and 80 per cent, purchase commitments, which The results

bridge offices meant that pre-mises in London, Altrincham and Cambridge could be sold. He adds that this rationalisa-

borrowings of £6.9m at end-

"While the benefits of the product development programme will take some time to flow through to the group's little on a £45m turnover.

tions at the time of the second rescue package agreed in July 1985.

Mr. Brian Ling, managing director; says the half year was a transitional period in which the group has changed its to re-establish its operations on a sound basis.

The directors tackled the problem of excess stocks and purchase commitments, which purchase commitments, which reduced the former from £18m at end-June 1985 to £7.9m at December 31.

December 31.

Significant progress was also made in streamlining corporate activities and reducing overlieads.

The group has disposed of its least of £16.66m, including heavy write-fieads.

The group has disposed of its least of £10.84m.

The previous year the group achieved a pre-tax profit of £10.84m.

The sales operations in the UK, Europe and the Far £2st.

The sales operations in the US and Germany have also been transformed from direct to indirect, via distributors, to protect Acorn's market position in these countries but without significant financial exposure.

Mr Long points out that consolidation of the group's UK activities linto the main Cambridge offices, meant that pre-indirect in Tondon Altrincham

The results for the six months under review follow a sharp relative follow a sharp revented any consolidation at higher levels. Understandably Olivetti seems averse to taking out all the minorities even if it has a soft spot for the outsiders. On products, a major US manufacturer for the RISC chips should soon be announced. The previous year the group achieved a pre-tax profit of £10.84m.

The results for the six months under review follow a sharp relative fields and proved the group ran up losses of £26.66m, including heavy write-offs. On products, a major US manufacturer for the RISC chips should soon be announced. (£13.48m for period) and extraordinary items to £1.02m (£7.5m). Loss per 10p share emerged at 1.2p (126.3p)—the shares are traded on the USM.

There is again no dividend.

Mr Long sums up: "The current year wil be one of intensive development of new product range as for the six months under review follow a sharp relative fiead any consolidation at higher levels. Understandably Olivetti seems averse of taking out all the minorities even if it has a soft spot outsiders. On products, a major US manufacturer for the RISC chips should soon be announced of £10.2m (£7.5m). Loss per 10p share even The results for the six months small parcels of shares seem to the existing product range as turned to good use in bargain well as further advances in high basement networking arrange-technology.

But all this is mostly

Granville & Co. Limited

Managers Telephone 01-621_1212 8 Lovat Lane London EC3R 8BP

Over-the-Counter Market

| | | | <u> </u> | | | • • • | 2000 | <u> </u> |
|------|-----|-------------------------|----------|------------------|----------------|------------|--------|----------|
| | | | | | | | P/1 | |
| u:-L | Low | Company | | - | Gross | | | Fully |
| | 118 | | Price t | Change | | · • | | |
| 146 | | Ass. Brit. Ind. Ord. | 132xd | | 7.3 | 6,5 | 8.1 | 7.5 |
| 151 | 121 | Ass. Brit. Ind. CULS | 138 | _ | 10.0 | 7.2 | _ | _ |
| 75 | 43 | Airsprung Group | 72 | _ | 6.4 | 89 | 12.0 | 15.7 |
| 46 | 33 | Annitage and Rhodes | 35 | | 4.3 | 12.3 | 4.3 | 5.2 |
| 177 | 108 | Sardon Hill | 178 | -1 | 4.0 | 2.3 | 22.3 | 23.2 |
| 64 | 42 | Bray Technologies | 58 | _ | 3.9 | 6.7 | 7.1 | 8.2 |
| 201 | 136 | CCL Ordinary | 138 | - | 12.0 | 8.7 | 3.4 | 3.2 |
| 152 | 97 | CCL 11pc Conv. Pr | 99 | _ | 15.7 | 15.9 | _ | |
| 150 | 80 | Carborundum Ont | 146 | | 4.9 | 3.4 | 7.2 | 11.3 |
| 94 | 83 | Carborundum 7.5pc Pf. | 91 | - | 10.7 | 11,8 | _ | _ |
| 65 | 45 | Deborah Services | 55 | | 7.0 | 12.7 | 5.7 | 7.5 |
| 32 | 20 | Frederick Parker Group | 23 | - | · - | _ | _ | |
| 110 | 50 | George Blair | 110 | | _ | _ | 4.6 | 8.1 |
| -68 | 20 | ind. Precision Castings | 62 | | -3.6 | 4.8 | 16.4 | 13.7 |
| 218 | 161 | Isis Group | 165 | -1 | . 15.0 | 9.7 | 12.7 | 19.0 |
| 122 | 101 | Jackson Group | 121 | _ | 5.5 | 4.5 | 8,1 | 8,1 |
| 345 | 228 | James Burrough | 345 | +2 | 15.0 | 4.3 | 10.9 | 10.9 |
| 98 | 85 | James Burrough SpcPf. | 96 | _ | 12.9 | 73.4 | _ | |
| 95 | 61 | John Howard and Co. | 61 | | 5.0 | 8.2 | 4.8 | 7.8 |
| 1200 | 570 | Minihouse Holding NV | 1070 | 25 _{*:} | . 6.9 ., | | . 46.7 | 44.A |
| 82 | 32 | Robert Jenkins' | -70 | . — : | | ∸ . | 9.1 | 20.0 |
| 34 | 28 | Scruttons "A" | 30 | Ξ. | :- | . — | | 7.7 |
| 87 | 66 | Torosy and Carlisle | 667 . | — , | .50 | ・フユ | . 25 | |
| 370 | 320 | Travian Holdings | 330 | _ | 7.9 | 2.4 | 6.9 | . 8.1 |
| 53 | 25 | Unitock Holdings, | 53 | - | · 21 · | 4.0 | 714.4 | 14.1 |
| 175 | 93 | Weiter Alexander | 175 | — . | 86 | 4.9 | 9.9 | 12.1 |
| 226 | 195 | W. S. Yestes | 200 | - | 17.4 | 8.7 | 5.7 | 8,8 |
| | | | | | <u> </u> | <u> </u> | | |
| | | | | | | | | |

An open ended fund (fisted in London) specialising in shares of precious metals, oils and other minerals.

Consultant: Dr. F. D. Collender, Investment Advisers: Strauss, Turnbull & Co. Limited Half Year ended 26th February 1986 terim dividend 17¢ ts per share \$11.13 Assets per share \$11.13 +5.2% (Since 272.85) F.T. Gold Mines Index (\$ terms) - 1.5%

For copies of the Interim Report write to:
Minerals Oils and Resources Shares Fund Inc., Royal Trust House, Colomberie, St. Helier, Jersey, C.L. **Public Works Loan Board rates**

| stratio | Effective April 3 Quota loans repaid | | | Non-quota loana A* rape | | |
|---|--------------------------------------|---------------------------|----------------------------------|-------------------------------|-----------------------------------|--|
| 1 | by EIPt | A# % | maturity¶ | by EIP† | A# % | at maturit % 10 1 |
| Over 1 up to 2 Over 2 up to 3 Over 3 up to 4 | 9 1 | 9 <u>1</u> 91 18 ·- | 9 1 9 1 | 10 1 101 101 | 101 101 101 | 10} 10} |
| Over 4 up to 5 Over 5 up to 6 Over 6 up to 7 | 9 <u>1</u> 91 | 91 | 9 9 | 10] 91 | 10 1 9 1 | 10 9 1 9 1 |
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| Over 9 up to 16 Over 10 up to 15 Over 15 up to 25 | . 9 | 9 9 91 | 9 | 9} 9} | 9 <u>†</u> 9‡ | 9 <u>1</u> 9 <u>1</u> 91 |
| Non-quota loan non-quota loans A. | 9 sBare | 9 1 pe | r cent hi | 9 <u>1</u> gher in e | 9 <u>}</u> | 9} |

by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

| Į | · NOT | ICE TO LOM | BARD DEPOS | SITORS |
|----|-------|--|--|---|
| | | Refer to: depositors entitled No receive gross interest | Rates for depositors entitled to receive out laborate. | Grose equivalent to a basic rate tax payer |
| | | 14 | Days Notice |)) |
| -: | | 111/4% | 8-40% | 12-01% |
| : | | Cheque When the | Savings Ac | counta |
| | | 103/4% | 8-03% - belease is £250 to £ | 11-48 |
| | | 83/4% | 6-54% | 9.34% |
| ı | | | credited on each public but put less than hill | rearly . |
| | | | ombard orth Centra | |
| | | | St, London W1 | |
| | • | - | | |

Figures based on the market prices at 5.30pm on Thursday. CONTINUING GROWTH FROM BASIC BUSINESSES.

Cy

Imperial Shareholders: which side should you come down on?

United Imperial.

A cohesive group with three related and complementary businesses.

A proven record of success in the management of leading brands.

Opportunities for cost savings and faster profit growth by combining operations.

Profit growth mainly organic, fuelled by high capital investment of over 4% of annual sales in 1985.

All UB's offers provide higher income than Hanson's 'best' bid.

Agreed management plans to exploit growth opportunities in food and leisure industries.

Hanson Trust.

A conglomerate currently operating in some fifteen different business sectors.

Limited experience of managing branded consumer businesses.

No similar opportunity.

Profit growth mainly by acquisition (capital spending just over 2% of annual sales in 1985).

Hanson's highest income offer (the cash alternative) is worth only 293p per share, or 64p less than Imperial's current market price.

No clear plans. Wait and see.

This stark comparison makes it absolutely clear why the Board of Imperial urgently and unanimously recommend that you accept the United Biscuits offer

UB and Imperial are natural partners for future growth and prosperity. By accepting the UB offer, you ensure that the majority of your investment will remain in Imperial businesses. This is the only way you can "stay with Imperial."

Time is now short. The future of your company -

its brands, its businesses, its people - may depend on your action.

So please, today, sign and send off the white UB acceptance form. It must arrive by 3.00 pm this coming Friday, 11th April 1986.

If you are in any doubt how to complete the form, please telephone our helpline: 0272 666961.

If you would like to hear why your Chairman,

Mr Geoffrey Kent, and the Imperial Board unanimously recommend the UB offer, please ask the operator for Freefone Imperial Group.



DAYS LEFT TO ACCEPT 10 · 9 · 8 · 7 · 6 · 5 · 4 · 3 · 2 · 1 UB OFFER

es for the information contained in this advertisement are set out or referred to in Imperial Group and Hanson Trust 1985 Annual Reports, UB's Preliminary Statement and the letter from the Chairman, Imperial Group pic to shareholders dated 3rd April 1986. Imperial's share price is the closing price on 2nd April 1986.

The directors of Imperial Group pic (including those who have delegated debailed supervision of this advertisement) have taken all reasonable care to ensure that the facts and opinions expressed herein are fair and accurate. The directors accept responsibility accordingly.



Hill Samuel & Co. Limited

advised

Marley plc

in the sale of

Payless D.I.Y. Limited

Ward White Group plc

Hill Samuel & Co. Limited 100 Wood Street, London EC2P 2AJ.

April 1986

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to the public to subscribe for or purchase any securitie



Ward White Group plc

RIGHTS OFFER of Convertible Redeemable Preference Shares of 10p each at £1 per share entitling holders to an annual fixed preferential dividend of 6p (net) per share ("Convertible Preference Shares").

This advertisement appears in connection with the rights offer of up to 74,430,137 Convertible Preference Shares in the Company which are offered at £1 per share to shareholders on the register at the close of business on 24th March, 1986 on the basis of 82 Convertible Preference Shares for every 100 Ordinary Shares of 25p each then held. The Council of The Stock Exchange has admitted the Convertible Preference Shares to the Official List. Dealings are expected to

commence on 4th April, 1986. Details of the listing particulars relating to the Company and the Convertible Preference Shares required by The Stock Exchange (Listing) Regulations 1984, are available in the Extel Statistical Services. Copies of the circular to shareholders dated 11th March, 1986 containing the listing particulars and the letter to shareholders dated 3rd April, 1986 may be obtained during normal business hours on any week day, Saturdays and public holidays excepted, up to and including 18th April, 1986 from:

Ward White Group plc, Hargrave Hall, Wellingborough, Northamptonshire, NN9 6BU

County Bank Limited, 11 Old Broad Street, London EC2N 1BB

and, until 8th April, 1986 only, from: Companies Announcement Office, The Stock Exchange, Throgmorton Street,

London EC2P 2BT

4th April, 1986



Swiss Air Transport Company Ltd.

Notice to holders of the Warrants of the 8 % US\$ Bonds with Warrants 1984-91 of Swissair Finance (B. V. I.) Limited, **British Virgin Islands**

At the Annual General Meeting of Shareholders of Swissair to be held on April 24, 1986, the Board of Directors will propose an increase of the share capital by offering one new Bearer Share of Sfr. 350.- nominal value for every 15 Bearer Shares outstanding at that date at the price of Sfr. 1,100 .-. The new Bearer Shares will rank for dividend from

Furthermore the Board of Directors will propose the creation of aDividend-right certificates» by offering one «Dividend-right certificate» for every 10 Bearer Shares outstanding at that date at the price of Sfr. 200.-.

In connection with this capital increase, the holders of the Warrants of the 8% US\$ Bonds with Warrants of Swissair Finance (B. V. I.) Limited should note that

a) exercise of the Warrants into Bearer Shares cum subscription right can take place up to April 14, 1986;

b) the exercise right of the Warrants will not be exercisable during the period from April

15, 1986 up to and including May 13, 1986;

c) the exercise price will be adjusted on May 14, 1986 and published as soon as possible thereafter.

April 4, 1986

SWISSAIR

Ibstock Johnsen hit by weather and drop in pulp prices

SEVERE weather in the first quarter of 1985 and a reduction in pulp prices set back full year results of Ibstock Johnsen, which has announced a £1.06m

which has announced a £1.06m fall in pre-tax profits to £11.36m.
The proposed final dividend, however, is raised to 3.3p against an adjusted 2.75p for the one-for-one scrip issue last April. This makes a 4.8p (4p) total for the year, which will be paid from increased earnings per share of 13.68p (13.03p).
Turnover for the group, which makes bricks and is an agent for woodpulp manufacturers, for woodpulp manufacturers, improved by 5.6 per cent to £116.46m (£110.29m).

Mr Paul Hyde-Thomson, the

chairman, says that an import-ant factor of the year was the exceptional amount of capital investment, market development and expansion in the brick divisions on both sides of the Atlantic.

In the UK, building products gained only a small increase in turnover, from £51.08m to £53.89m. Deliveries were below 1984, he says, and trading profit fell by £1m from the group's record £15m.

US sales of building products improved substantially, from £50.5m to £61.05m, at which level the group has good market penetration, and the chairman adds that the long-awaited profits, which were £1.15m against a £727,000 loss, are coming through.

fibres division never expected to repeat the excep-tionally high profits obtained in 1984, he says. In the event the fall in the world price of pulp and the adverse exchange rate movements were greater than anticipated, especially in the second half. Turnover in this division fell from £8.72m to £1.51m, and trading profits were down at £867,000 (£2.25m). Tax took £2.95m (£4.94m) to leave net profits at £8.41m (£7.47m). There were extra-ordinary debits of £2.26m ordinary (£2.35m).



Mr Paul Hyde-Thomson, chairman of Ibstock Johnsen

2p to 188p yesterday. Last year was a year of retrenchment for the company. In the UK the problems posed by an overall downturn in brick demand were compounded, in Ibstock's case, by the turmoil of plant redevel-epment and a management structure overstretched by years of expansion. Even in the US, — the tock broke into profit

for the first time in the summer months, sales were inhibited by delays in constructing the Washington plant. Thus far 1986 has been a mixed year in the UK.
Icy temperatures have brought construction programmes to a halt, but post modernism has brought bricks back into favour with architects and overall demand should increase by 5 per cent this year. With new production plant in place and a more flexible management structure. Ibstock expects to outperform the market. Mean-while the US division, having lost the lossmaking Indianapolis plant and having gained the new Washington unit, should double its contribution to pro-The market was well prepared for disappointment from Ibstock of 12.

Overseas strength boosts JSD Computer to £0.6m

Computer Group International saw its profits for the period rise by £218,000 to £626,000 pre-Turnover improved from

£7.1m to £9.63m. All trading locations of the group advanced, particularly overseas which increased by 60.6 per cent to £6.5m. The US pushed ahead by 48.4 per cent to £4.1m and Europe, outside the UK, by S6.5 per cent to £2.4m.
The group's main activity

remained the contract hire of skilled computer personnel, which represented 98 per cent

£1.79m. Other operating income amounted to £71,000 (£85,000). Net interest charges accounted for £74,000 (£54,000).

WITH GROWTH continuing known as Knight Computer through the 1985 year, JSD International. Its shares are traded on the USM.

From JSD's figures one would hardly guess that UK turnover had been almost static, but in fact 70 per cent of the group's business is overseas and this is where the growth has been coming from. The Belgian and Dutch operations are expanding and the Amsterdam office is stretching its tentacles into West Germany, while US business has grown at a rate which suggests that a third office could open there this year. The of turnover.

Gross profits rose from European progress continues
£2.17m to £3.05m and were suband US growth dependent on
the continues of turnover.

European progress continues
£2.17m to £3.05m and were suband US growth dependent on
the continues of turnover. be renewed emphasis on expanding the UK activities, most probably through acquisition. With at least £800,000 expected Earnings came through 2.1p on a tax charge of 35 per cent, ahead at 6.3p after tax of the shares, up 4p at 130p, are £284,000 (£180,000) and a final on a prospective p/e of under on a prospective p/e of under 14—a reasonable rating for a company in a buoyant market. dividend of 1.1p makes a net 14—a reasonable rating for total of 2.1p, an improvement of 0.6p per 5p share.

The group was formerly when the acquisition comes. but watch out for the cash call

Wayne Kerr sticks by US loss-maker

Although faced with difficult

trading conditions in some overseas markets, Wayne Kerr's strategy of developing a balanced geographical spread of activities and a broad range of products, has worked well for

or products, has worked well for the USM quoted electronics manufacturer, says Mr Alan Dennis, the chairman.

Mr Dennis says the current recession in the electronics sector in the US caused an inevitable downturn in sales of its ATE equipment.

He said yesterday that the group had no intention of quitting the US in spite of the losses sustained there in the first three quarters. "It is an important market to us, and we are content to operate there at break-even until the upturn comes," he says.

Pre-tax profits for 1985 improved by £200,000 to £1.3m, and furnover was un from

and turnover was up from £10.95m to £11.75m. A final divi-dend of 1p net is proposed for a total of 1.5p.

Ealing Electro ahead after all round growth

Ealing Electro-Optics, which came to the USM in October. has announced pre-tax profits of £1.27m for 1985, against £1.27m for 1985, against £865,000 on a pro forma basis. A forecast of at least £1.18m was made in the offer-for-sale prospectus.

Turnover for the company, which makes, markets and distributes high-precision optical and electro equipment improved by 39 per cent to £7.47m

(£5.36m).
Mr Mervyn Windsor, the chairman, says that there was growth across all product groups and the year also saw the first benefits from the new sales organisation in the US, he says, where sales rose 52 per cent in dollar terms.

As forecast, the directors are recommending a 1.50 dividend

recommending a 1.5p dividend in respect of 1985. Stated earnings per 5p share are 9.8p.
Pre-tax profits and turnover on a statutory basis are £892.000 (£339,000) and £6.79m (£5m)

AIBD BOND INDICES

| WEEKLY EUROBOND GUIDE APRIL 1 1986 | | | | |
|------------------------------------|---------------------|--------------------|-------------------|------------------|
| | Redemption Yield | on Week | 12 Months High | 12 Months Low |
| US Dollar | 9.423 | -0.790 | 12.060 | 9.422 |
| Australian Dollar | 13.270 | -3.58 9 | 14.630 | 12.600 |
| Canadian Dollar | 11.044 | -0.639 | 12.920 | 11.014 |
| Euroguilder | 6.137 | -0.244 | 7,420 | 6.084 |
| Euro Currency Unit | 8.887 | -2.598 | 9.990 | 8.802 , |
| Yen | 6.667 | ± 0.241 | 7.330 | 6.638 |
| Sterling | 10.151 | -0.869 | 11.932 | 9.990 |
| Deutschemark | 6.603 | -0.045 | 7.570. | 6.582 |
| Bank J. Vontobe | & Co Ltd., Zurie | ch - Telex: | 812744 JVŽ (| ᅄ |

Aberdeen Steak lower at £0.8m

Aberdeen Steak Houses, the London restaurant chain which iton about legal claims; over alleged underpeyments to been reached over Mr Scheman's an out-of-court settlement had ton about legal claims; over alleged underpeyments to been reached over Mr Scheman's an out-of-court settlement had an out-of-court settlement had ton about legal claims; over alleged underpeyments to been reached over Mr Scheman's been resched over Mr Scheman's hear of claims for underpayment of claims for underpayment of claims for underpayment of wages amounted to the USM, rising to a premium the USM, rising to a premium of Aberdeen; said that on an adjusted 52-week basis the company said that on an adjusted 52-week basis the company search the then company secretary Mr Stephen Cock burn, a non-executive director of Aberdeen; said that three of Aberdeen; said that the company had decided to pay the 1.20 dividend which had been forecast in the prospectus on the Profits were struck after turnover for the year of \$8.9m the prospectus on the passengtion that 1985 profits would be greater than those of the prospectus of \$1.7m (£3.7m), net operating expenses of £3.7m (£3.7m) and interest would be greater than those of payable of £61,000 (£37.000).

US\$ 100 000 000.-

Credit Suisse Finance (Panama) S.A.

113/4% Guaranteed Notes, Series A, due 1992 and 100 000 Warrants to subscribe

US\$ 100 000 000.-1134% Guaranteed Notes, Series B, due 1992

NOTICE IS HEREBY GIVEN, pursuant to the Terms and Conditions of the captioned issues, that US\$ 4 000 000 principal of Series A Notes have been drawn for redemption at 101% of their principal amount. The serial numbers of the 4 000 Series A Notes of US\$ 1 000 each, drawn for redemption and repr

The Notes drawn for redemption will become due and physble on May 7, 1986 tagether with accrued interest for the period from February 13, 1986 to May 7, 1986. On and after May 7, 1986 the Series A Notes so redeemed shall cease to bear interest.

As of this date, the outstanding principal amounts are:

Series A Notes: US\$ 27 000 000.— Series B Notes: US\$ 73 668 000.—

This advertisement is pulsibed by N.M. Rothschild & Sons Limited and J. Henry Schroder Wagg & Co. Limited on behalf of Hanson Trust PLC. The Directors of Hanson Trust PLC are the persons responsible for the information contained in this advertisement.

To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts. The Directors of Hanson Trust PLC accept responsibility accordingly.

The United Biscuits offer. What will be in it for the Imperial shareholder?



When you examine it closely, the United Biscuits argument soon starts to crumble.

They have no experience of tobacco and brewing.

No record of acquiring or managing diversified businesses.

And little chance of creating "global brands" (Eventogether, "United Imperial" would be dwarfed by the international food giants.)

Now look at Hanson Trust's argument.

Our shareholders have seen their dividends grow by 28.7%p.a. over the last 5 years.

Our earnings per share have grown by 33.9%p.a. over the last 5 years. And our record of growth in profits has been unbroken for 22 years.

United Biscuits' so-called commercial logic?
Or Hanson Trust's actual financial logic?

We recommend you accept the Hanson Trust bid before the next closing date on April 11.

HANSONTRUST

£60-100 million employee-led buy-out

including an

Offer for Subscription Lloyds Merchant Bank Limited

to employees and their immediate families and pensioners of Vickers Shipbuilding and Engineering Limited and its subsidiaries Cammell Laird Shipbuilders Limited and Warship Design Services Limited and to residents of Barrow and Furness and of Birkenhead

The following gave initial commitments to provide out of their own holdings the £1,620,000 of free shares allocated to certain employee applicants under the Offer

Lloyds Merchant Bank Limited

British Aerospace Pensions Funds Trustees Limited Lloyds Investment Managers Limited managed funds

Eagle Star Insurance Company Limited

Norwich Union Life Insurance Society Pearl Assurance PLC

First National Boston Limited

Investors in Industry PLC

Lloyds Development Capital Limited

Prudential Assurance Company Limited

The Trustees of St. George's Pension Fund

Commitments syndicated by Hoare Govett Limited

arranged and managed by

Lloyds Merchant Bank Limited



April 1986



THORN EMI

£40,000,000

Sale and Lease Back of Vehicle Fleet with Revolving Facility

Arranged and provided by

Kleinwort, Benson Limited

Tointly underwritten by

Banque Paribas (London)

Kleinwort Benson

The International Merchant Bank 20 Fenchurch Street London EC3P 3DB

This announcement appears as a matter of record only

UK COMPANY NEWS

Weir hits target with £9m for year

Weir Group, the Scottish-based engineer which failed earlier this year to win con-trol of Yarrow, its Glasgow neighbour, has met the profits forecast it made in January. At the pre-tax level profits rose from £6.85m to £9.03m from a turnover £8.16m ahead at £139.77m.

Earnings improved by 5.4p to 12p per 25p share and a final dividend of 2.125p lifts the total from 2.5p to 2.875p

Weir lost its battle to take over Yarrow in January. Before it launched its £20m before it fainthed its 220m bid it already held a 28.2 per cent stake in the company. However, the offer only attracted the support of a further 11.7 per cent of the

Mr Tony Houghten, receiver of hovercraft manu-facturer Vosper, has sold the company's Mainwork subsidiary to the Weir group for an indisclosed sum. Mainwork provides technical services to offshore oil and gas companies.

Mr Houghton is now trying to sell Vosper's main subsidiary, Vosper Rovermarines, and is hopeful that he will find a buyer as a number of foreign shipping companies had shown a serious interest in Vosper following the sale earlier this following the sale earlier this week of two hovercraft to PT Hover Maritom Sumandera, of Indonesia.

comment

There were no surprises in Weir's results; the City was told exactly what to expect during the Yarrow takeover that it has shaken off the tristes of the early 1980s and in 1986 should emerge as a much more dynamic com-pany. All three foundries returned to profit last year and this year's orderbook has returned to 1970's levels of buoyancy. Pumps have been redirected from shipbuilding to oil and power. Given that its oil activities concentrate on maintenance rather than on maintenance rather than exploration, Weir has emerged relatively unscathed from the oil price crisis. While power activities could be buoyed by the longpromised Sizeweel contract later this year. In desalina-tion Weir is compensating for the decline of the Middle East markets by developing water and power contracts in this country. The City expects 6.5 this year which leaves the share, reduced by 2p to 118p yesterday, looking inex-pensive. Weir has nine months to go before deciding whether to rebid for Yarrow and in the meantime will conon a series of engineering-related

Abbey Life beats forecast with £34.6m surpus

would have been paid on the distribution, a growth rate of

About 24 per cent.

Above Life has comfortably beat
An amount of £18.5m is being its surplus indecess, made last

Abbey Life Group. Britain's second largest linked-life company, yesterday reported a surplus for 1985 of £34.6m, which included £300,000 after-tax profits from non-life subsidiaries.

This compared with a surplus of £30.7m in 1984 and a forecast of £33m made at the time of its floation last June.

Abbey is paying a total dividend for the year of £.9p, with a final payment of £.7p. This compares with a forecast total of £8p in the offer document.

The company said that had an equivalent dividend been paid, the 1984 surplus would have been paid on the distribution, a growth rate of about 24 ner cent.

Abbey Life Group. Britain's second the long term business fund to the profit and to the profit and loss account, the remainder rewided with a higher than exped dividend. In particular, Abbe Life fixed business fund to the profit and loss account, the remainder rewided with a higher than can exped dividend. In particular, Abbe Life fixed business fund to the profit and loss account, the remainder rewided with a higher than can exped dividend. In particular, Abbe Life fixed business fund to the profit and loss account, the remainder rewided with a higher than loss account, the remainder rewided with a higher than loss account, the remainder rewided with a higher than loss account, the remainder rewided with a higher than loss account, the remainder rewided with a higher than loss account, the remainder rewided with a higher than loss account, the remainder rewided with a higher than loss account, the remainder rewided with a higher than loss account, the remainder remainder rewided with a higher than loss account, the remainder remaind share price f 216p, up 6p on the results, vielding 4.6 per cent, reflects his potential.

Profits up 87% as sales recover at Empire Stores

HELPED by good fashion sales (£1.12m). The tax charge was £mpire Stores (Bradford) regained the turnover lost in the first half and ended the year 4 per cent ahead. And the recovery in profits continued with an increase of £7 ner cent an increase of 87 per cent.

In the year to January 25 1985 turnover rose to £162.8m, against £156.52m after there had been a fall of 4 per cent in the first six months. Pre-tax profits for this mail order company increased from £3.09m to £5.79m.

Earnings per share came out at 10.88p (5.97p) and an in-creased dividend of 3.75p (2.5p) is being paid with a recom-mended final of 3.25p (2p). Directors say that during the period fashion sales were good but hardware was disappointing. Costs and working capital re-main under strict control, they

add, and borrowings at the end of year were again lower. Sales in the present year are said to be encouraging from all sections of the catalogue and subject to unforeseen circumstances progress to more satis-factory profits is expected.

Operating profit came out at £6.62m (£4.2m) and the pre-tax

The following companies have notified dates of board matings to the Stock Exchange. Such meetings are usually held for the purpose of considering drudends. Official indications are not

TODAY

Harsh words about a company that has just annunced a 87 per cent increase it profits are not usually called for. Yet Empire's shareholders may well be unmoved by a relovery that its rivals enjoyed some time ago. While Grattan and Freemans have moved on to net notions, Empire is struggling with its basic catalogue and wathing its market share dwindle. he company has had some success of controlling costs and bal debts and a little belatedly harrecog-

nised that one key to malorder success is getting the rind in-formation systems. With high operational gearing, what Empire really needs is a rise in turnover, and the 13 percent advance in the second hat is not particularly encouragingset against a lamentable second alf last year. The new cataloguess apparently going well, and te company should make at lear

FLITURE DATES. ...

Astbury and Madeley British Alexa A

£7m this year. However a propective p/e of 15 at 184p is high coperating profit came out at pective p/s of 15 at 164p is incl.

66.62m (64.2m) and the pre-tax on trading grounds, while the With a healthy order book, figure was struck after interest four major corporate share he is confident of achieving ancharges less tax repayment holders seem in no hurry toother satisfactory full year, supplement of £826,000 launch a bid. while at the same time, the

BOARD MEETINGS of the traspelle &

34% at halfway to near 11m

Druck dimbs by

A 34 per celt increase from £712,000 to £93,000 to pre-tax profits is reported by Druck Holdings for the six months to December 31 195. Turnover of this USM-queed holding company engage in the manufacture of electronic pressure measuring devices, rose from £3.31m to £4.57m an increase of 38 per cent. of 38 per cent.

Mr John Salmol the chairman, says the total order book so far this year shows another satisfactory increas, compared with that of last year. This is largely due to the ontribution from overseas where the group's subsidiaries have produced good results.

He says there are no very large orders to report, but this is a good indication that it continues to grow with a wide spread of general besiness.

Since his last report, the group has reduced a rather large order backlog and can now offer better deliveries due to increased production efficiency.

while at the same time, the group continues to plan through narketing, development and uality for the longer term. The pre-tax figure included a sare of profit in a related comply of £47,000. Tax for the Peod was higher at £429.000 Copared with £326,000. After milities of £12,000 (same).

pre-ta profits of £1.76m. Dividends sorb £113,000 (£94,000), leaving etained profits £119,000

compliance with the requirements of the Counc United Kingdom and the Republic of Ireland.



COMMONWEALTH BANK OF AUSTRALIA

(A statutory corporation of the Commonwealth of Australia)

A\$125,000,000 Zero Coupon Notes Due 1991

The Commonwealth of Australia guarantees the due payment of all moneys that are, or may at any time become, payable by the Commonwealth Bank of Australia

Issue Price 55.45%

The following have agreed to subscribe or procure subscribers for the above Notes:

Orion Royal Bank Limited

Dresdner Bank Aktiengesellschaft

Hambros Bank Limited

Swiss Bank Corporation International Limited

Banque Bruxelles Lambert S.A. CIBC Limited

Commonwealth Bank of Australia EBC Amro Bank Limited

Merrill Lynch Capital Markets Morgan Stanley International

Salomon Brothers International Limited

Banque Nationale de Paris

Commerzbank Aktingesellschaft Credit Suisse First Poston Limited

Kredictbank International Group

Morgan Guaranty Ltd Nomura International

Union Bank of Switzerland (Securities) Limited

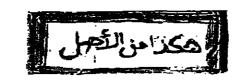
Application has been made to the Council of The Stock Exchange in Londonfor Notes in the denominations of A\$1,000 and A\$5,000 constituting the above issue to be admitted to the Official List, subject to the issue of the temporary Global Note.

Particulars of the Notes and the Issuer are available in the Extel Statistical Service. Copies of the listing particulars relating to the Notes may be obtained during normal business burs up to and including 8th April. 1986 from the Company Announcements Office of The Sock Exchange and up to and including 18th April, 1986 from:—

Orion Royal Bank Limited,

l London Wall, London EC2Y 5JX

R. Nivison & Co., 25 Austin Friars,



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COMMERCIAL LAW REPORTS

Digest of cases reported in Hilary Term

FROM FEBRUARY 7 TO MARCH 4 1986

Hedges & Butler Ltd v Commissioners of Customs and Excise (FT. February 7)

The Customs and Excise wrote to Hedges & Butler calling for the production of an extensive list of business documents under regulation 8 of the Excise Warehousing Regulations 1882, which refers to "all records" relating to an occupier's or proprietor's Challer F Early A Fee Inc.

The Customs and Excise damages. But that still left the court with power to give indigment on liability and to assess the damages and interest, taking account of the fact that there had been a payment and acceptance on account of a sum equal to the full amount of the damages.

Bulk Oil (Zng) AG v Sus International Ltd and Another (FT, February 21)

In a reference by the English Commercial Court to the European Court of Justice concerning a refusal on the part of EP "all records" relating to an occupier's or proprietor's business. The Divisional Court the company's refusal to comply on the ground that the Commissioners' powers to call for the production of business records was limited by section 93 of the Finance Act an arrow sense, by imposing a duty on "the occupier of goods or the proprietor of goods in a warehouse to keep records an occupier or proprietor." The legislature thus clearly did not intend to grant the Customs and Excise an unlimited power to records—no matter how remote from the operation of a warehouse.

The Gafta Board of Appeal to Ship North Sea oil to Israel, the court asked, inter alia, whether the UK prohibition on the oil shipments was in breach of an EEC/Israel agreement in accordance with the prescribed contractual procedure as laid down in Clause 17 of Gafta form 102. However, Mr Justice Bingham said that the sellers' construction of the clause could not be upper broduction of records—no matter how remote from the operation of a warehouse.

Nile Company for the Expert of Agricultural Crops v H and J. M. Bennett (Commodities)

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buyers which entitled the latter to offset the value of damaged goods from the f.o.b. price. Payment was to be made against buyers which entitled the latter to offset the value of damaged goods from the f.o.b. price. Payment was to be made against shipping documents in any event. Nine disputed shipments of potatoes arrived, and the parties, agreed on a settlement procedure. At the end of 1981, the Egyptian Government under stipulated that henceforward payment was to be made only by documentary credit opened in advance. In interlocutory proceedings for the price of the shipments and a counterclaim by the defendants, Mr Justice Anthony Evans held that the change of regulations discharged the parties from further liability under the settlement agreement due to impossibility of performance. impossibility of performance. However, under Egyptian law their rights and obligations in

relevant provision was section 35A of the Supreme Court Act 1981, which stated that any sum for which judgment is given could include simple interest.

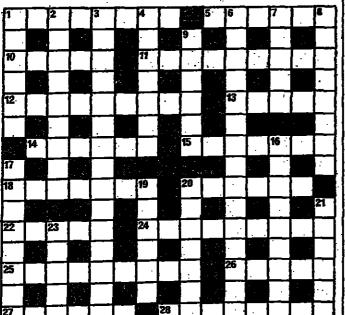
After the action had begun, the defendant had tendered the provision excluding the Uniform

said that the sellers' construc-tion of the clause could not be upheld. Clear language was needed to exclude evidence ordi-narily admissible to show a buyer was entitled to refect goods as not corresponding with contractual description or as unmerchantable. unmerchantable.

Forestal Mimosa Ltd v Oriental Credit Ltd (FT February 19)

However, the Court of Appeal held it was wrong to approach the question or construction by looking at the document without reference to the Uniform Customs. There was no express

F.T. CROSSWORD PUZZLE No. 5.988



ACROSS 1 Marked and imperfect pieces

—a pound only (8)
5 Concerned with some cattle

10 Hooligans demonstrate affec-

tion in a back-street (5)

11 Having caught the spirit,
beat it! (5-4)

12 A sort of transport club. A
name's needed (9)

13 Fit heavyweight — trains inside (3, 2) children non-male 14 The wanted flimsy stuff (6)

15 Encourage a friend content in retirement (7) rwoman setting about heel with little hesitation (7)

20 Attacked — bombed maybe 22 Player joining church group

24 State whereabouts (9) 25 Didn't indulge a seaman — twisted instead (9)

War, war is still the cry.
War even to the
Byron (Childe Harold) (5) 27 Anything but wet about a feature that's depressing (6) 28 In favour of investigations, yet makes complaint (8)

DOWN 1 Possibly ten gunmen cop-pers are to catch (6) pers are to catch (6)

2 This will ensure a member is upright (5-4) 3 Keeps airborne? (7, 2, 3, 3)

4 Creating a scene about bottle-opener not being there

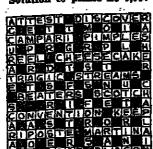
6 The retired person can get heated over it (8, 7) 7 Within a year lynxes may be extinct — so soon! (5) 8 He'll regret organising strike register (8)

9 Approached a painter — intended to get pictures (6) 16 Pare if it's to go into drinks

17 A case of a blackleg turning gloomy (8)
19 Telephone abo appearing (6)

20 Beastly fighting man finding it dull before a stick-up (7) 21 This French place causes some displeasure (6) 23 Try a little discrimination

Solution to puzzle no 5,987



In re Imperial Foods Pension Scheme (FT, February 25)

When two subsidiaries of In re State of Norway's Appli- Imperial Foods sold their entire Ltd and Others (FT, February 18)

In 1980, the plaintiff, an Egyptian state-owned commercial organisation, signed an agreement with the defendant buyers which entitled the latter to offset the value of damaged goods from the f.o.b. price.

Imperial Foods sold their entire share capital to Hillsdown Holdings, a portion of the pension fund was transferred on the basis of an actuarial valuation of past service reserve with allowance for future pay and pension increases. Hillsdown sought to impeach the valuation proceedings relating to a trust and substitute for it a "share of the fund" method of appropriation. In dismissing Hillsdown's application, Mr Justice Walton said that it was settled law that a court would upset a valuation only where there was proof of some mistake or some improper motive. The function of an actuary was to achieve the greatest possible degree of fairness between the various persons interested in the scheme. Because the share fund precisely the opposite effect, it would have been rejected in any

> Re BP Petroleum Development Ltd (FT, February 26)

their rights and obligations in the original agreement revived.

Edmunds v Adas (FT, February 12)

In an appeal by a reinsurer against summary judgment for the amount claimed plus interest, the Court of Appeal stated that remedy for a breach of an insurance contract, was an action for damages. However, it was well settled that the courts had no common law power to award interest on damages. Jurisdiction must therefore be statutory. The only relevant provision was section in the original agreement revived.

Credit Ltd (FT February 15)

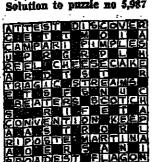
Section 3 of the Petroleum Productions Act 1934 states that ancillary rights to mining operations (as laid down in the Mines (Working Facilities and Support) Act 1923), should be extended to the laying of pipes for the carrying away of petroleum Productions Act 1934 states that ancillary rights to mining operations (as laid down in the Mines (Working Facilities and Support) Act 1923), should be extended to the laying of pipes for the carrying away of petroleum Productions Act 1934 states that ancillary rights to mining operations (as laid down in the Mines (Working Facilities and Support) Act 1923), should be extended to the laying of pipes for the Carrying away of petroleum Productions Act 1934 states that ancillary rights to mining operations (as laid down in the Mines (Working Facilities and Support) Act 1923), should be extended to the laying of pipes for the carrying away of petroleum Productions Act 1934 states that ancillary rights to mining operations (as laid down in the Mines (Working Facilities and Support) Act 1923), should be extended to the laying of pipes for the carrying away of petroleum Productions Act 1934 states that ancillary rights to mining operations (as laid down in the Mines (Working Facilities and Interest of the Uniform Customs transport of the Early and Productions Act 1934 states that ancillary rights to mining operations (as laid down in the Mines (Working Facilities and Interest of The bank now contended that if the Carrying away of petroleum Produc Section 3 of the Petroleum Productions Act 1934 states that compulsory grant of the rights needed for laying extra pipe-line on farmland in Dorset, stated that the court must not treat section 57 as impliedly re pealing anything in the 1934 Act unless it was convinced that they could not stand

> Regina v Attorney-General ex parte ICI (FT, February 28)

ICI won its appeal to the Court of Appeal asserting that it was entitled to judicial review of an Inland Revenue valuation of North Sea ethane gas. ICI alleged the valuation was artificially low for petroleum revenue tax purposes, thus giving ICI's competitors, Shell and Esso, an unfair advantage. The court up-held Mr Justice Woolf's decision that under national law, ICI had sufficient locus standi to apply for judicial review, because it came before the court qua competitor and not qua taxpayer. Also it had locus standi under EEC law because the low value. tion had distorted competition and favoured the oil companies as against ICI, thus qualifying as an improper "aid" under Article 92 of the EEC Treaty. However, the judge was wrong to refuse a declaration with reto refuse a declaration with regard to any valuation already made and to direct the Revenue only on a future valuation. ICI was entitled to the fruits of litigation in which it had been successful.

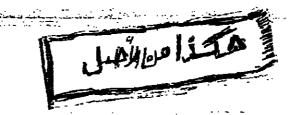
British Leyland Motor Corpora-tion Ltd v Armstrong Patents Co Ltd (FT, March 4)

In allowing an appeal by Armstrong Patents asserting that it was entitled to manufacture exhaust pipes for BL's Marina cars, the House of Lords said that exploitation of copy-right law had gone far enough. It extended to the direct re-production of a functional article such as an exhaust, but BL was not entitled to assert its copyright in design drawings so as to defeat a motorist's right to repair his car with an ex-haust pipe of his own choosing. This digest will be concluded on Tuesday By Aviva Golden



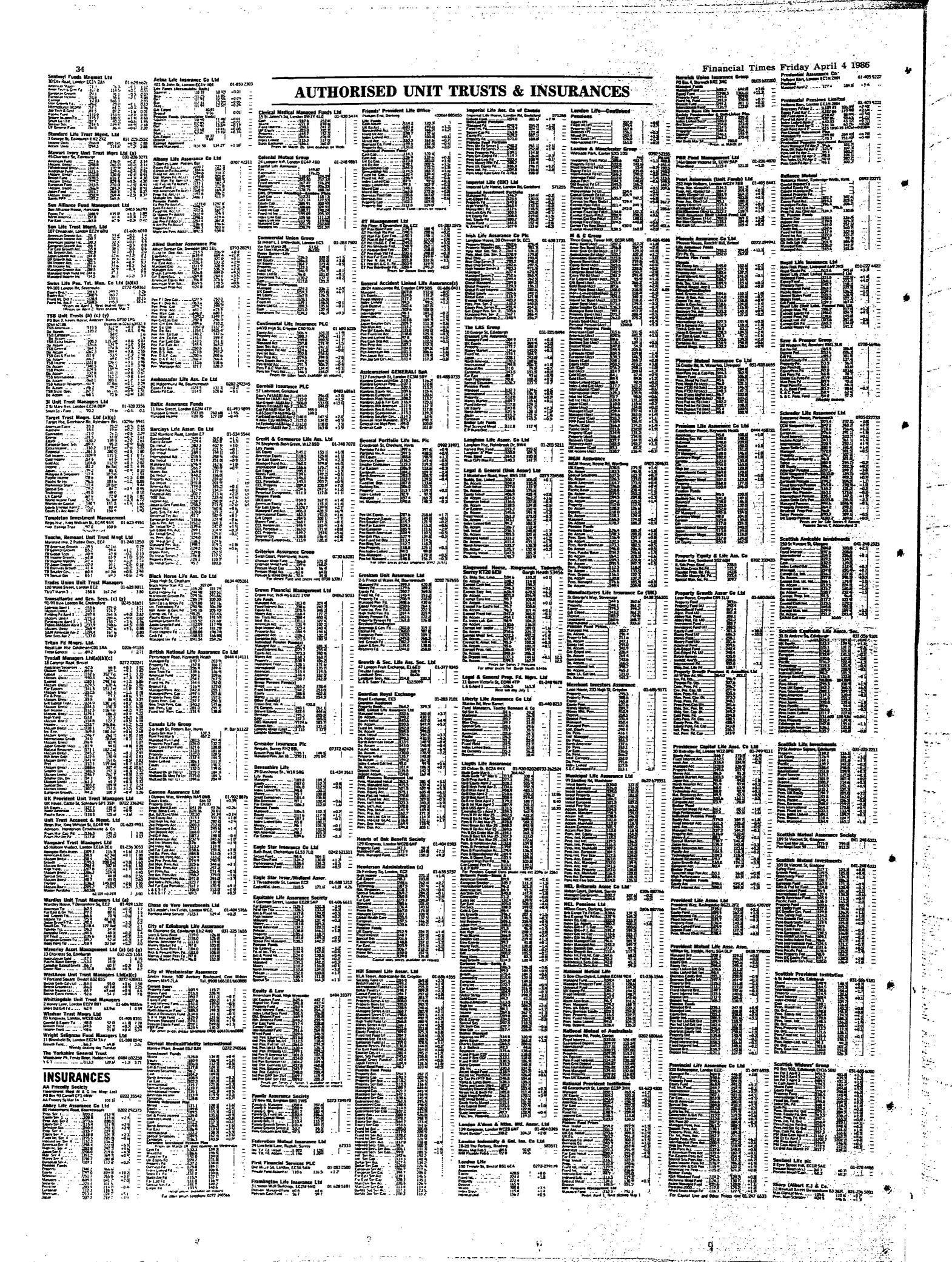
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on April 22 1986 For further details, please contact: MARK FISHER on 01-248 8000 ext 3389 FINANCIAL TIMES Europe's Business Newspaper

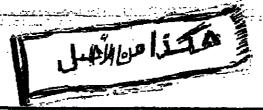


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Financial Times Friday April 4 1986 Insurance, overseas & Money Funds

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SUGAR WORLD "11" 112,000 Es: cents/lbs

World grain stocks record **forecast**

WORLD CEREAL stocks are forecast to rise during the 1985-86 season by about 20 per cent to a record 377m tonnes, the monthly Food Outlook of the UN Food and Agriculture Organisation (FAO) said yes-

Nearly all the increase would be in coarse grains (maize, millet, sorghum, etc), with a slight rise in wheat stocks as well, the publication said. Rice stocks are expected to fall.
As a result, global cereal supplies for 1985-86 are

supplies for 1985-86 are expected to expand to a record 1,993m tonnes, reflecting also the exceptional cereal harvest last year, now estimated at a new high of 1,837m tonnes as against 1,801m tonnes preBauxiven mine site for the viously. "Larger cereal harvests in

of African countries, have sharply reduced import demand." Food Outlook noted.

Consequently, world trade in cereals in 1985-86 was forecast to decline by 32m tonnes to 187m tonnes, the lowest level since 1978-79, "reflecting a sizeable decline in purchases by the USSR and lower imports by the USSR and lower imports by developing countries."

In its first forecast for world wheat and coarse grain produc-tion in 1986, Food Outlook predicts output of the two cereals at 1.345m tonnes, down from the

Wheat production is expected to rise slightly to 515m tonnes, but that of coarse grain could drop by about 4 per cent to 830m tonnes. Most of the 1986 crops have yet to be planted and the present forecasts are based on winter plantings. Early prospects for 1986 crops are mostly favourable, the report

 CZECHOSLOVAKIA aims to harvest 11.4m tonnes of cereals in 1986, which would ensure its independence of grain imports, the official news agency Ceteka said yesterday.

Ceteka reported last October that the 1985 grain harvest of 11.7m tonues, down from the 1984 record of 12m, was the third successive good harvest and brought the country nearer to self-sufficiency in food and farm products.
In 1986 it will export a total

of 20,000 tonnes of seeds, two-thirds of which are to be grain seeds, the agency said, adding that sowing had begun in the warmer regions.

• THE INDONESIAN Government has told state-run oil palm plantations to cut research and development spending in order to bring production costs below the current crude palm oil (CPO) export price, the Kompas newspaper reported in Jakarta.

Kompas also quoted the Agri-ulture Minister, Mr Achmad Affandi, as saving state planta-tions have been told to exclude depreciation in CPO cost calculations until prices improve. Earlier reports said state

plantations, which account for two-thirds of Indonesia's CPO output, were producing at an average of \$200 a tonne. The world CPO price was around \$160 a tonne in March.

• THE KUALA LUMPUR Tin Market (KLTM) was expected to remain weak last night as foreign buyers remained absent. Wednesday's KLTM tin price was fixed at 14.50 ringgit a kilo, the first fixing since March 20. The price was the lowest traded since the KLTM resumed operations on February 3. Turnover was 15 tonnes. Dealers sald, however, that the price was still at a premium against the London grey market level, and

Venezuela moves ahead \$460m bauxite project

jungles of Bolivar State.

The project, run by a state-owned company called CVG Bauxita Venezolana CA (Bauxi-ven), is expected to require a total investment of around \$462m, including basic project work and related infrastructure work and related infrastructure. Financing is to be obtained from the Government's own resources, an Inter-American De-velopment Bank loan and supplier credits.

official initiation of construction of a railroad which will "Larger cereal narvests in several importing countries. In carry crushed bauxite ore to a river port, where it will be transported by barges to the sharply reduced import demand." Food Outlook noted.

Consequently, world trade in Guayana. Lusinchi's visit undergraphs in 1985-88 was forecast. lined his administration's determination to push ahead with the venture in spite of projections for sharply reduced revenues this year from oil, the source of most Venezuelan Government

> Work on the long-delayed project is now moving ahead on official estimated that probable several fronts. Civil engineer-bauxite reserves at Los Pijing and equipment contracts guaos and nearby areas could have ben assigned to state and private companies for major. The Government estimates are the contract of the major and the contract of the major and the contract of the co portions of the mine and rethe cost for the mine and lated areas. Other important related facilities at \$398m, with contracts — including mobile another \$64.3m earmarked for equipment for the mine, a coninfrastructure and support veyor belt to carry ore, river barges, buoys and navigational aids for the Orinoco river, and a system for loading and hand-ling materials at the river port Government, despite its desig-

AFTER YEARS of delays, the Venezuelan Government is yet.

The produce 3m tonnes per year of capacity, the country could save ore from large deposits of high-grade bauxite located in the imports and would possess a president Lusinchi named Mr tungles of Rollyns State.

The Administration mation as a high-priority programme. The Administration would like to produce 1m tonnes a year of ore by 1987, but it is one from large deposits of high-grade bauxite located in the imports and would possess a president Lusinchi named Mr tungles of Rollyns State. fully integrated aluminum in-

The deposits of high-grade bauxite were discovered in 1976 at a site called Los Pijiguaos.



on a mountain caled Cerro Piez about 600 metres above sea level near the Suapure River. Geologists have identified over 200m tonnes of readily extractable ore, which would last around 65 years at the planned production rate. A Bauxiven official estimated that probable

infrastructure and support work, About \$88.6m has already been spent on the project.

Bauxiven has fallen behind

Hector Soucy, an engineer with experience in the private sector, as president of Bauxiven. Mr as president of Bauxiven. Mr Soucy, who has a reputation for getting things done, also has a good working relationship with the government-appointed Tsar of the Guayana region, State Minister Leopoldo Sucre Figarella, who is responsible for overseeing all Guayana Develop-

ment Corporation (CVG) pro-

Two successive governments

Two successive governments identified Bauxiven as a necessary project but were unable—or unwilling—to make any real progress. The development of a bauxite mine at Los Pijiguaos was first announced at the end of the Perez Government's tenure. In 1979, but no concrete action was taken during that period. The Herrera Administration (1979-84) at first gave considerable attention to Baux-iven, and scaled the project down to approximately the current level of production. By the time the last administration decided to move ahead, though, it began to worry about falling oil prices. In the end, it ran out of money and left Bauxiven in

From the time it took office in February 1984, the Lusinchi administration assigned high priority to restarting Bauxiver But sluggish decision-making and other problems caused a delay of almost two years. Now, a decade after the discovery at Los Pijignaos, Venezuela is finally getting to grips with the

US withdrawal from coffee pact 'would not be catastrophe'

US WITHDRAWAL from the International Coffee Agreement is a worrying possibility but would not be a complete catastrophe for the trade, Colombian officials and trade analysts said yesterday, reports Reuter from

In a recent letter to Colom-Betancur's economic adviser, bian President Belisario Retan-Mr Diego Pizano, a respected cur. President Ronald Reagan coffee expert. said the US was preoccupied by the fact that the international coffee accord, one of the first commodity agreements of its type, had not been implemented as it should.

Washington was looking careechoing earlier statements by was due to file a report on the level following a prolonged US Government officials that issue this month and the White drought in Brazil's coffee areas the pact hurt US consumers. House was expected to send last year.

would deal a heavy blow to the pact because the US is the world's major consumer. It would lead to a situation of erratic price fluctuations but it would be no complete catastrophe," according to Mr Betancur's economic adviser,

Trade analysts said the US position was understandable since the International Coffee Organisation (ICO), which has coffee trade has been regulated regulated the world's coffee since 1962 by the 75-member, trade since 1962, had failed to regulate the world's market complex system of export quotients.

"Obviously, a US withdrawal Congress a recommendation by

The current coffee agreement said it would review its membership after three years. Congress must extend the power of the customs service to con-trol imports in accordance with the pact's regulations beyond the expiration date of

The world's \$10bn-a-year coffee trade has been regulated fully at the pact to see if its effectively. Which was suspended in continued participation was Colombian government officials February after prices soared justified, Mr Reagan added, said a US trade policy group above the agreement's ceiling

Ivory Coast to clarify cocoa stance

on a new international pact for cocoa, the official Ivorian daily weak last night as ers remained absent.

S KLTM tin price to 14.50 ringgit a kilo, ding since March 20. Tast the lowest traded LtM resumed operators and ing "a campaign organised by people of manifest bad faith" had been launched against the lowest position on the pact, reports at the price was still um against the Lonmarket level, and Thailand T

THE IVORY COAST is planning a series of news conferences to outline its position objectively inform all those has not ruled out pact memberinterested... and also to reply ship completely.

The Ivory Coast and the US,

to each article which did not state the facts as they are," the daily reported.

It said Mr Bra Kanon briefed the meeting on the background to the Ivory Coast's appropriate that the meeting on the background to the Ivory Coast's appropriate that the meeting on the background to the Ivory Coast's appropriate that the livery coast and the US, the world's biggest cocoa produce and consumer respectively.

Ethiopia's rehabilitation effort falters

BY JOHN MADELEY, RECENTLY IN ETHIOPIA

A BIG question mark hangs over the Ethiopian Govern-ment's "rehabilitation pro-gramme for the drought-affected areas" launched in ake drought in their stride. Government spending on agriculture remains low; in the year ending July 1985, 13.5 per cent of its revenue was allocated to agriculture but less than half that amount was actually given. In total only \$120m was not into agriculture by the the wake of perhaps the world's worst ever famine. The need for the programme is everywhere to be seen. To try to survive the famine many small farmers sold their tools, equipment and cattle; and they despe-

and carter, and they desperately need replacements if they are to farm their land. Although the country's main farm tool makers, the Ethiopian Metal Tools Factory, is working a 24-hour shift system its output still falls far short A \$19m project financed by the UN's International Fund for Agricultural Development (Ifad) includes the provision for over 1m hoes and pickaxes for needy farmers. The tools

for needy farmers. The tools were purchased from China at a cost of \$3 each but subjected to a 100 per cent import tax by the Ethiopian Government—to the considerable annoyance of project officials. officials. oficials.

After languishing for several months in an Addis Ababa warehouse the tools were being moved out to farmers in late January, in time for March's short season rains.

But although most farmers should soon have tools what they lack is the back-up from government that would allow m to escape from the

vagaries of the weather and

put into agriculture by the Government in this time to be shared between some 35m rural dwellers in an area twice the size of France.

Irrigation facilities are practically non-existent for the great majority of farmers; of the 13m hectares of land in Ethlopia that grow crops, there is irrigation on only 100,000 hectares. The effects of this are now being felt in the country's huge eastern Hararge province where rains have continued where rains have continued light—only in southern and western parts of Ethiopia have rains returned to normal.

Around a third of the 3,000

or so villages in Hararge harvested such a meagre "rain-fed" crop in December 1985 that by January they were without food of their own. Yet most villages in Hararge province are surrounded by hills; water is now running to waste rather than being caught to irrigate

fields.

Although irrigation would benefits to be of enormous benefits to many small farm communities in the drought prone areas,

the Irrigation Department of the Ministry of Agriculture in Addis Ababa has such a limited budget that it plans to bring irrigation to only an extra 5,000 ha a year.

extra 5,000 ha a year.

In Hararge province, agriculture has also been hit by the Government's policy of "villagisation." In the past year people have been forced to move from scattered homesteads into the centres of their villages. The policy was carried out in Tanzania in the 1970's but is now officially admitted to have been a mistake—one that Ethiopia seems intent on repeating.

For the policy has dispurted

For the policy has disrupted agriculture and reduced harvests; whereas people in Hararge previously farmed land around their home, now they are crammed into village centres and some have to commute five miles on foot to their land to do essential farming tasks such as weed-ing; this has inevitably led to farm plots being neglected. It seems no coincidence that in the wake of villagisation, Hararge now faces a major famine. Some 2m people in the province could be without food of their own Unless agricultural rehabi-Unless agricultural renau-litation is taken more seriously then Ethiopia is likely to go on needing food aid. Senior UN officials in Addis Ababa believe that although the Ethiopian Gov-

more priority and money to

agriculture, there is also a case for western countries to step up development aid to help what is a potentially rich country to become food

rich country to become food self-sufficient.

Ethiopia has been given a great deal of emergency aid in the past year but receives far less development aid per head than almost any other country in Africa—only \$5 per head a year against an average of \$20. Italy and Sweden apart, no other government is keen to give aid to the "military socialist" Govthe "military socialist" Gov-ernment of Col Mengistu Haile Mariam. The British Government has

The British Government has indicated a willingness to give £2m in aid for agricultural rehabilitation—but it would prefer to channel the money through non-government agencies, some of whom have mounted village level irrigation schemes. tion schemes.

But such limited amounts

may only be tinkering with a huge problem; a sizeable in-jection of cash, from both domestic and foreign sources, is likely to be needed if Ethiopians are to have assured means of growing their own Latest estimates of the UN

Latest estimates of the UN Food and Agriculture Organisation suggest that Ethiopia will need 900,000 tonnes of food aid this year, of which 700,000 is already there, on the way or pledged.

John Madeley is editor of International Agricultural Development magazine.

The state of the s

LONDON MARKETS

THIS WEER'S relatively gentle coffee price slide continued yesterday with the May futures position finishing £28.50 lower at £2,399 a tonne, some £28 up from the day's low. This took the cumulative loss since the Easter break to £165.80 a tonne. Dealers said market sentiment remained cautions. sentiment remained cautious with little fundamental news to stem the bearish trend. The cocoa market was also quiet as the week's modest uptrend was halted. The July futures quotation traded within a £17 range before within a £17 range before ending the day £1 down on halance at £1.431.50 a tenne. Reports of selling by Ghana and Brazil had pushed prices lower early on but most of the falls were recovered under the influence of a firmer New York market and startling's retract from traded. sterling's retreat from traded highs. Following the interroption of its recent uptrend on Wednesday the sugar market registered modest gains yesterday, encouraged by news that Egypt was re-tendering to buy whites next

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COPPER nonths 992.5-3 nt 967.5 (978).

Official closing (am): Cash 962-(977-8), three months 985-7 (993-3-5) settlement 964 (978), Turnover: 37,80 tohnss. US Producer prices 68,50-7 cents per pound.

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| h d | tonnes. US Spot: 18-22-20 cents per pound. |
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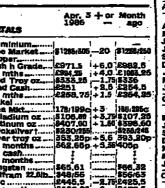
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US MARKETS INDICES

MAIN PRICE CHANGES



FINANCIAL TIMES

REUTERS

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Dow April Mar. Month Year Jones I 31 ago ago

Spot .129.74130.82 — .119.51 Fut. |129.00130.75| — .124.06

Malte £142.5 Wheat Fut July 2119.5 No. 3 Hard Wint. Cocoa Ft. May E1394.5 4.0 £1586.5 Coffee Ft. May £2546.5 48 £2598.6 Coffee Ft. May £2546.5 48 £2598.6 Cotton A findex £956.5 48 £2588.6 40.78 £133.75 Rubber (kilo) \$126.5 \$155.5 \$155 Wooltope 54s 415p kilc | 44 189 kilc

In tonnes unless otherwise stated \$ Unquoted, † Per 75-Ib Bask, c Cents a Pound, v May, y April-May, 2 March-April, x April, w June.

RUBBER

drifted lower throughout the de-lack of buying interest and ci sharply lower, reports Lawis and i Closing prices (buyers): Spot 55 (57.50p); May 54.50p (55.50p); 50.00p (56.00p). The Kuals Lumpur price (Malaysis/Singapore cerus) kg: RSS No 1 was 190.5 (191.5) for SMR 20 182.5 (184.0).

| MEMI | |
|--|----------|
| Spot April pigment expired on weaker rone but forward mon remained steady. Beef prices clossifightly lower in small volume, reported CCST. | zh ze |
| PIGMEAT | ~ |
| Month close - close - | OT, |
| April 101.00 -2.58: 183.00-1 | 5.5 |
| June 105.50 +2.59 182.00 July 102.60 -0.40 182.00 | _ |

Beel sales: 3 (51) lots of 20 sides.

OIL Forward Brent traded around \$10.00 during the morning. Nymax opened 50 cents down for May but recovered to trade 23 cents up before saxing back to around Wednesday's close by 12.30 pm EST. Brent tollowed hymex up with May barnels reaching \$10.75 by the London close. In the petroleum products market gasoil prices in Morth West Europe were down slightly in active morning trade. Heavy fuel left sharply as supply outstripped demand—Petroleum Argus, London.

SPOT PRICES

| | Latest | Chan + or |
|--|--------|--------------|
| CRUDE CIL-FOR | - • | -Apri |
| Arab Light Arab Heavy | i — | = |
| Brent Blend | | |
| W.T.I, (Ipm est) Forcados (Nigeria Urais (cif NME) | o' — | -0.8 |
| OF ALLS (CAT FAME) | _ | } |
| PRODUCTS—Nort | | |

Turnover: 0 lots of 1,000 barrets. GAS OIL FUTURES

| - IUIIUI | Cities | | Lone |
|--|----------------------------|-------------------------|--|
| | \$ US per tonne | | |
| Pril lay uneuly uguly ep., | 119.50 118.75 121.75 | -1,00 -1,88 -1,75 | 142,00 36,90 126,56-19,80 120,00-16,00 119,75-14,75 121,76-17,60 128,60-20,25 |
| Turnover: | 3418 (46 | 56) lo | 75s of 100 |

COCOA

| COCOA | In quiet trading conditions futures offitted in a narrow range to close unchanged on the day. Consumers were uninterested and only very light, producer activity was seen today, reports Gill and Duffus. | Sept. 100.40. | In the consumers were complete to the consumers were consumers were considered in a narrow range to close unchanged on the day. Consumers were uninterested and only very light, producer activity was seen today, reports Gill and Duffus. | In the consumers were complete to the consumers were complete to the consumers were consumers were complete to the consumers were consumer

ICCO indicator prices (US cents per pound). Daily price for April 2: 90.26 (90.04): five-day sverage for April 3: 91.00 (91.39).

Values traded in a fifty pound range today with the low trading on the opening. Trade buzzing took values back to around unphanged in comparatively light volume. Talk of large sell stops in New York kept London trading nervously for most of the day, only

OIL FUTURES closed firmer. The reversal in sentiment was induced by US Vice-President George Bush's comments that he would emphasise importance of stabilising oil prices ance of stabilising oil prices when meeting with Saudi Arabian officials later this week. Precious metal recorded minor gains on the back of firmer oil prices. Copper and aluminium held ground on aluminum nein ground con-light speculative buying con-tributed to continued low stock levels. Sugar remained firm recouping earlier losses. Cocoa remained higher with

at the previous day's close.

41.80 40.75

Feb

GRAINS

WHEAT -

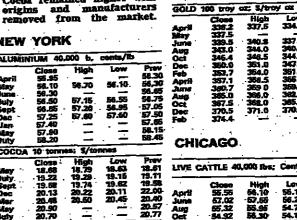
Old crop markets seed on shipper to shipper trade with commission house selling evident throughout the day with new crops struggling to absorb keen country hedge selling reports T. G. Roddick,

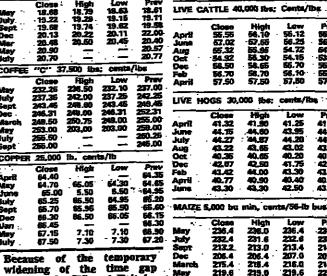
May 117.90 -0.28 114.90 -0.88 July 119.50 -0.55 --- 8ept. 100.16 -0.85 98.15 0.80 Nov. 103.15 -0.46 101.40 -0.88 Jun 105.35 -0.46 101.40 -0.88 Mar 109.40 -0.45 107.80 -0.80

POTATOES

Market continued trend of week, registering gains of £3.00 during day, disping towards close on profit-taking, but with undertone nevertheless still firm. After London close rumour emerged that PMB had announced on radio a large delicit for this crop year. Market now almost £10.00 up on week

NEW YORK





between the US and Britain, last night's New York and Chicago closing prices were not available for this edition. The prices shown here are as

SOYABEAN MEAL 100 tons: S/to

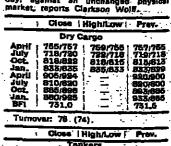
39.59 38.80

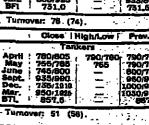
WHEAT 5,000 bu min: cents/80 lb bushel SPOT PRICES—Chicago loose lard 12:00 (seens) cents per pound. Handy and Harmen silver bullion 514.0 (512.0) cents per troy ounce.

fight stops materialised and London railied slightly to close 532 lower on the day. Light inter-dealer physical business appeared present today, report Drexel Burnham Lembert. and booksquaring shead of weekend could timit upside move till next week, reports Coley and Harper. £ per tonne Apr 108.90 | 106.00 108.0-108.8 May 120.50 | 128.70 181.8-123.8 Moy 84.50 | 84.60 | 86.00-85.8 Peb 92.00 | 108.50 118.0-108.5 Sales: 1,504 (1,225) lots of 40 tonnes. Earlies—July 97.00 +0.50, Aug 76.00 unchanged. Sept 75.00 +5.00. Sales: 20 (0) lots of 10 tonnes.

FREIGHT FUTURES The April futures steaded elightly, but the remainder of the merket was quiet, with no direction or oews emanating from the physical merket, reports Clarkson Wolff.

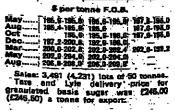
Rates held steady throughout the day, egainst an unchanged obysical market, reports Clarkson Wolff.

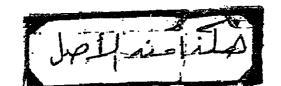


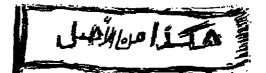


SUGAR

| \$205,00 8 200m | (£140.00), for April, £219.00, + | down Si | SO Calandi |
|------------------------|--|-------------------|-----------------|
| No. 6 Con- tract | Yesterday close | Previous close | Busines Cone |
| | | nne F.O.S. | |







CURRENCIES MONEY and CAPITAL MARKETS

Legal Notices

FOREIGN EXCHANGES

Dollar up in erratic trading Late fall in gilts

The dollar finctuated quite £ IN NEW YORK sharply in nervous and erratic sharply in nervous and erratic trading yesterday. There was no clear concensus as to how the dollar was likely to perform over the short term against a background of oil price in stability and conflicting views in months 1.44-1.5ppm 1.48-1.5ppm 1.48-1.5ppm 1.48-1.5ppm 1.59-2.55pm on how central banks viewed the hollar's recent performance. A dollars recent performance. A number of large selling orders wiped away early optimism, the latter based on the Bank of Japan's reluctance to see the dollar fall any further, as rumours circulated — later proved false—that other central banks were selling dollars. banks were selling dollars.

franc at FFr 7.3950 from FFr 51.4715.
7.2950. On Bank of England
figures the dollar's exchange rate
index rose to 120.8 from 119.9.
2.4710 to 2.1990. March average

POUND SPOT-FORWARD AGAINST POUND

DOLLAR SPOT-FORWARD AGAINST DOLLAR

| April 3 | Spread | Close | One month | P.S. | Indianol | 1,2807-1,2750 | 1,265-1,2675 | 7,30-1,056 pm | 1,267-1,2750 | 1,265-1,275-1

814-834 814-9 413-5 754-814 716-718 B.Fr.(Fin)..... 1114-1114 20-25 54-579 81g-9

Long-term Eurodollers: two years \mathcal{P}_2 - \mathcal{P}_2 per cent; three years \mathcal{P}_2 - \mathcal{P}_3 per cent five years \mathcal{P}_2 - \mathcal{P}_3 per cent nominal. Short-term are call for US dollars and Japanese yen; others two days' notice. **EXCHANGE CROSS RATES**

E | S | DM | YEN | F Fr. | S Fr. | H FL | Lira | CS | B Fr.

0.288 0.419 1, 75.34 3.101 0.837 1.127 683.8 0.584 20.45 3.817 5.563 13.27 1000, 41.15 11.11 14.85 9078, 7.754 271.4 0.927 1.352 3.225 243.0 10 2.699 3.633 2305 1.894 65.94 0.501 1.195 90.03 3.705 1. 1.346 837.8 0.698 24.43 0.255 0.372 0.888 66.88 2.758 0.743 1, 507.0 0.519 18.15 0.421 0.613 1.462 110.2 4.534 1.224 1.647 1000 0.884 29.90

The D-mark lost ground to the dollar in Frankfurt yesterday as the dollar fluctuated in busy trading on rumours, later proved to be false, that central banks were selling dollars. The US unit rose to DM 2.3835 from DM 2.3710, although it finished below the day's high of DM 2.3835. Trading was rather confused. STERLING — Trading range against the dollar in 1986 is 1-5115 to 1.5770. March average 1.4681. Exchange rate index 76.5, unchanged from the opening and Wednesday's close and compared with 80.2 dix months confused.

JAPANESE YEN — Trading range against the dollar in 1386 is 202.75 to 178.00. March average 178.65. Exchange rate index 193.9 against 171.6 six menths ago.

banks were selling dollars.

As the rumours proved unfounded so the dollar improved once more but lacked sufficient conviction to break through the DM 2.40 level against the D-mark. Consequently it fell back to finish still in the upper half of the day nearer DM 2.49. It was also lower against the yen at Y262.0 from Y284.25 and SET. There were no fresh economic figures to provide any clues as to how successful the dollar's decline over the past few months had been with regard to encouraging exports and reducing the buge US trade deficit. The dollar closed at Y179.65, compared with Y179.50 and SET 1.9865, compared with Y179.50 and SET 1.9865. On Bank of England figures the dollar's exchange rate ago.

**Sterling lost ground in late trading to finish at DM 3.4775 meanths ago.

**Sterling lost ground in late trading to finish at DM 3.4775 meanths ago.

**Trading was active but consists and SET to dollar spend much of the dollar's at Y820.0 from Y284.25 and SET 1.07850 from FFr 10.7350, giving rise to corraging exports and reducing the buge US trade deficit. The dollar closed at Y179.65, compared with Y179.50 and SET 1.9860, compared with ST 1.9825.

It was higher against the French franc at FFr 7.3850 from FFr 7.2950. On Bank of England figures the dollar's exchange rate against the D-mark down from DM 3.4775.

**Trading was active but consuments ago.

**Trading was active but consuments and already taken place in New York and already taken place in New York and already taken place in New York and to a fairly narrow range in the dollar's pend to a fairly narrow range of the dollar's spaint the yen at Y262.0 from Y284.25 and SET to Y872.0 from PFr 10.7350, giving rise to dollar since the pound with SFr 2.913.

**Trading was active but consuments and already taken place in New York and already taken place in Tokyo we set edular's pend to a fairly narrow range in Tokyo or the dollar's pend to a fairly narrow range of the dollar's pend to a fairly narrow range of the dollar's pend to a fairly narrow range of the dolla

CURRENCY MOVEMENTS

75,5 120,8 79,6 129,7 95,0 95,1 151,2 109,7 121,6 69,2 45,4 195,9 US TREASURY BONDS (CBT) 8% S100,000 32nds of 100%

CHICAGO

CURRENCY RATES

US TREASURY BILLS (ISSN) \$1m points of 100%

Brazil 20.21-80.33 15.77-13.84
Finland 7.7080-7.73405.2700-5.2720
Greece 213.56-217.86145.28-144.51
H kong 111.448-11.46157.8090-7.8110
1287 80,555
Kuwait 10.4850-0.4860-0.39125-0.3914
Lin: burg 71.08-77.15 8.70-48.80
Malaysia 5.8510-3.8925 2.6550-2.6800
N 2 Tand 2.6550-2.6650 1.8100-1.8150
Saudi Ar, 5.3270-5.322415.6500-3.6510
Sin pore, 3.1986-5.9050-2.1810-2.1830
S.Af. (Fn).4.8595-4.7065-3.1250-3.2360
U.A.E. 15.3600-5.3655 3.6726-3.8736

f Correction - (April 2) Saudi-£ rate was 5.3345-5.3570.

1.00 pm 2.00 pm 3.00 pm 4.00 pm EMS EUROPEAN CURRENCY UNIT RATES

44,5251 8,04186 2,17619 6,69637 2,46268 0,719974 1481,05 Belgish Franc ... Denish Krone ... German D-mark Franch Franc ... Dutch Guilder ...

STERLING INDEX

UK clearing banks base lending rates 11½ per cent since March 19

purchase agreement matures, but dealers expect a new agree-ment to be announced early next

76.4

Long term gilt futures fell in late trading on the London international Financial Futures Exchange yesterday. Dealers could find no particular reason for the fall, but mentioned ner.

FINANCIAL FUTURES

Exchange yesterday. Dealers could find no particular reason for the fall, but mentioned nervousness at the recent strength of both sterling and dollar denominated interest rate contracts. June long gilts opened reasonably well on the foreign tracts. June long gilts opened exchanges. But sterling's late fall brought June deposits back to peak of 127-24, but early demand met with no follow through support, and the contract retreated,

20-YEAR 12% NOTIONAL GILT ES0,000 32mBs of 100%

Close High Low P Close High Low P June 101-08 101-00 101-08 101 Est. Vokume 514 (289) Previous day's open int. 897 (861)

| 100,000 32mds of 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100%

June US Treasury bonds opened firm and finished higher

the Genera meeting of Ministers from the Organisation of Petro-leum Exporting Countries on April 15, will produce agreement on production cuts, encouraged selling, chicago opened firm, but selling emerged, and June bonds closed in London at 102-01, compared with 102-05 at the opening, and 100-21 at Wednesday's close.

on the day, but below the open-ing level. There was no new US

on the ling level. There was no new economic news and the market's attention was attracted by oil a statement from the news. A statement from the White House that the US supports a free market in oil, initially underpinned bond futures, before expectations that the Geneva meeting of Ministers

INSURANCE COMPANY

NOTICE IS HERBY GIVEN that an Application was on 17th Merch 1986 Presented to the Secretary of State for Trade and lindustry by St. Paul Fire and Manne Insurance Company ("St. Paul") for the approval of the Secretary of State pursuant to Section 51 of the Insurance Companies Act 1982 to a proposed transfer to CIGNA Insurance Company of Europe SA-NV ("CIGNA Europe") of all of St. Paul's rights and obligations under policies written by it in the course of the insurance business carried on in the Juriance business carried on in the Juriance Ringdom by St. Paul's Direct. Manna and Aviation Business Departments prior to 17th March 1986, including provisions to secure the continuetor by or against St. Paul which relate to those rights or obligations. The policies affected by the application comprise all polices written by St. Paul in the course of St. Paul which relate to those rights or obligations. The policing affected by the application comprise all policies written by St. Paul in the course of carrying on ineuronce business in the United Kingdom during the relevant period except non-marine remainance assumed and certain incidental marine policies written by St. Paul's Treaty Department.

A copy of a Statement setting out naticulars of the proposed transfer and of a draft of the proposed transfer and of a draft of the proposed instrument of transfer will be open to inspection in the office of St. Paul as CIGNA House. It was considered than a Saturday or Sunday or auditic holiday) on or before 5th May 1996.

Written representations concerning

comer than a saturary or Sunday or subdic holiday) on or belore 5th May 1988.

Written representations concerning the trensfer may be sent to the Secretary of State for Trade and Industry, et the Department of Trade and Industry, insurance Division 1E. Room 552, Sanctuary Buildings, 20 Great Smith Street, London SWIP 3DB before 4th Junes 1986. The Secretary of State will not determine the application before considering any representations made to him before that day.

ST. PAUL FIRE AND MARINE COMPANY 6th April, 1986.

ke Calls—Last April May June Sept April May June Sept — — 27.20 — — 0.15 — — 0.20 0.70 — — 17.20 17.20 — — 0.40 1.10 1.20 12.2

THE INSURANCE COMPANIES ACT 1982
THE HOSME INSURANCE COMPANY
NOTICE IS HEREBY GIVEN that an Application was an 17th March 1986 presented to the Secretary of State for Trade and industry by The Home Insurance Company ("Home") for the approval of the Secretary of State nursuant to Section 51 of the Insurance Companies Act 1982 to a proposed transfer to CIGNA Insurance Companies Act 1982 to a proposed transfer to CIGNA Insurance Company of Europe SA-NV ("CIGNA Europe") of all of Home's rights and obligations under Policies written by it in the course of the insurance business carried on in the United Kingdom by Home's Direct. Marine and Avietion Business Depertments prior to 17th March 1988, including provisions to secure the combustion by or against CIGNA Europe of any legel proceedings by or against Home which relate to those fights or obligations. The policies affected by the application compone all policies written by Home in the course of carrying on insurance business in the United Kingdom during the relevant partod except nonmerine relevant policies written by Home's Treaty Department.

A copy of a Stratement setting out particulars of the proposed instrument of transler will be open to inspection or the office of Home at CIGNA House.

8 Lime Street, London ECSM 7NA during normal business hours on any day (other than a Saturday or Sunday or public heliday) on or before 5th May 1988.

Written representations concerning the transler will not getterning the senter of State for Trade and Industry, Insurance Division 1E. Room 552, Sanctuary Buildings, 20 Great Smith Street, London SWIP 308 before 4th June 1986. The Secretary of State for Trade and Industry, Insurance Division 1E. Room 552, Sanctuary Buildings, 20 Great State for Trade and Industry. Insurance Division 1E. Room 552, Sanctuary Buildings, 20 Great State for Trade and Industry at the Department of Trade and Industry at t

THE INSURANCE COMPANIES ACT 1982
ST. PAIR FIRE AND MARINE
INSURANCE COMPANY

ATKEN HUME INTERNATIONAL PLC

In a petition of AITKEN HUME INTERNATIONAL PLC for confirmation of reduction of shars premium account the Court of Session has pronounced the following interlocutor:
Edinburgh, "Seh March 1988.
The Lorde, Having considered the Petition and proceedings, no enswers having been lodged and having heard Counsel for the Petitions: allow the Petition to be amended in terms of the Minute of Amendment No. 20 of process and dispense with re-service of the Petition as amonded; having considered the Report No. 21 of process by D. S. Williamson, W. S., Edinburgh, direct that the provisions of Section 136(2) of the Companies Act 1985 shall not apply as regards the creditors of the Company or any class of them; confirm are reduction of the Company's Share Premium Account resolved on by the Special Resolution of the Company's Control in the Petition; approve the proposed Minute bot forth in the Petition; of the Register of Companies and on said Order and Minute being so registered, order notice there to be given by agvertisement. of Companies and on said Order and Minute being so registered, order notice thereof to be given by advertisement once in the Edinburgh Gazette and once in each of the Financial Times and Scottman newspapers and decem. EMSLIE, I.P.D.

The said order and minute have now been registered with the Registrar of Companies and Intimation thereof is haveby given.

Companies and instruction of the plant. DINDAS & WILSON, C.S., 25 Charlotte Square, Edinburgh, Solicitors for Pentioners,

IN THE MATTER OF ALBANY WINES (SOUTHERN) LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1985

which is being voluntarily wound up, are required on or before the 30th day of Abril, 1986, to send in their full Christian and surnames, their addresses and descriptions. Juli particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Patrick Walter John Hartigan of I Wardrobe Place, Carter Lane, London ECIV SAJ, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or cigims at such notice or in default theroof they will be secluded from the benefit of any distribution made before such debts are proved.

Dated this 30th day of March, 1988.

Liquidator.

No. (1884) of 1985

No. 008140 of 1395 IN THE HIGH COURT OF JUSTICE Chancery Division In the Matter of TV-AM LIMITED

Act 1985.

NOTICE IS HEREBY GIVEN that the Order of the High Count of Justice (Chancary Division) deted the 10th March 1986 CONFIRMING THE REDUCTION of the CAPITAL of the abovanamed TV-AM LIMITED from £14,040,000 to £4,833,369.40 and the Minute approved by the Court showing with respect to the capital of the Company as aftered the several perticular required by the above-mentioned Act were registered by the Registrat of Companies on 20th March 1986.

Deted the 27th day of March 1966.

STEPHENSON HARWOOD.
Saddiers Hall.
Gutter Lane.
Cheepside

Art Galleries

WORLD VALUE OF THE DOLLAR BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

US TREASURY BONDS 8% \$100,000 32nds of 100%

Close High Low Prev June 102-01 102-26 101-12 100-21 Sept 101-15 101-08 101-08 59-29 Dec 100-27 — \$5-00 Est. Volume 6,655 (7,554) Previous day's open int. 6,075 (5,610)

CURRENCY FUTURES

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, April 2, 1986. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified

areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

COUNTRY

Bank of America, Economics Dept., E.M.E.A., Eurodollar Libor as of April 2 at 11.00 a.m. 3 months: 714 6 months: 715

CURRENCY

VALUE OF DOLLAR

SDR=\$US1.1314 ECU=\$U\$.922125

Sibor as of April 2 at 11.00 a.m. 3 months: 71 6 months: 716

CURRENCY

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for

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the

O.D.

l by the yds Init

| AIGNANATAN | Argnani (o) , | 50.50 | Grenode F. Caribbean & | (2.70 · | / GUAFAni (c.c.) | 240.00 |
|--|-------------------|----------|--|---------------|--|-------------------|
| Albania | Lek : | 6,8637 | Grenada E. Caribbean 5 Guadaloupe Franc | 7.25 | Paraguay | 786.50 |
| Algeria | Dinar ! | 4.80 | Guam U.S. & | 1,00 | Peru, Intl. (0) (6) | 13,95 |
| Andorra | Fr. Franc | 7.25 | Gualinamenton Cole C | 1.00 | Philippines Peso | 20.53 |
| Ancorra, | Sn Decato | 147,90 | Guatemaia | 2.95 | Pitoairn Is N.Z. Dollar | 1.8125 |
| AngolaAntigua | Vinetage 1 | 29.918 | (CitierSal (U' I) | | Reland Tieta (6. /2) | 166,51 |
| raigons against annigh | F Coulbbase P | 2,70 | Guinea Bissaul Peso | 170.479 | Poland | 152,60 |
| MICHEL | de Carionali 4 | 0.801 | Guinea Rep., Franc (9) | 340,00 | POTENSEI PROFESSIONALI PROFESS | 192,60 |
| Argentina | Vitarian | | Guinea Rep Franc (j) | 300.00 | Puerto Rico U.S. dollar | 1.00 |
| Aruba | Florin | 1.80 | Guyana Dollar Halti Gourde Honduras Rep. Lempira | 4,158 | Qatar Riyal | 3,641 |
| Australia | | 1,3885 | Halti Gourde | 5.00 | Reunion, II de la Fr. Franc | 7,25 |
| AUSTIA | Schilling | 16.54 | Hondures Reg Lettoirs | 2.00 | Romania | 4,56 |
| Azores | Port. Escudo | 152,60 | Lempira (d) | 2.55 7.814 | (Leu (c) | 12.74 |
| Bahamas | Dollar | 1.00 | Hong Peng Deller | . 7814 | SwandaFranc | 90.7809 |
| Bahrain | Dinar | 0,3769 | Hong Kong Dollar Hungary Forint | 46,98 | St. Christopher E. Caribbean S | 2.70 |
| Balearic Is | Sp. Pesata | 147,90 | | | St. Helena Pound* | 1,4715 |
| Benglacesh | Taka | 30,30 | iceland Krona | 41,77 | St. Lucia E. Caribbaan \$ | 2.70 |
| Barbados | Doller | 2.0113 | India Rupee | 12.41 | Rt Bierre Er Erene | 7,25 |
| | : Erane /e\ | 48,13 | IndonesiaRupiah | 1126,00 | St. Pierre Fr. Franc St. Vincent E. Caribbean \$ | 2.70 |
| Belgium | Francis | 48,91 | francisco Rial (0) | 81,58 | Carron Montage Tale | |
| - · · · · · | (Franc (1) | , 40.91 | Iraq Dinar | 0.3109 | Samos Western Tala | 2,257 |
| BelizeBenin | | 2,00 | Irish Rep Punt | 1.284 | Samoa (Am.) U.S. 8 | 1.00 |
| Benin | G.F.A. Franc | 362.50 | israel | | San Marino It. Lira | 1604,00 |
| 54fffffde | Dollar | 1.00 | IRIBEI *********************************** | 1604.00 | Sac Tome & | |
| Bhutan | Ind. Rupee | 12,41 | Italy Lira Ivory Cosst G.F.A. Franc | | Principe DR Dobra | 39,9945 |
| Bolivia | Peso (o) | 1904000. | lyory Coast G.F.A. Franc | 362.50 | Saudi Arabia Riyal | 3,6565 |
| BC[IXIE*********************************** | Peso (f) | 1904000. | | | SAUGI ATADIZ RIYAI | 3,0000 |
| Botawana | Pula | 1,7405 | | 5.48 | Senegal G.F.A. Franc | 852.50 |
| | | 7/4 | Jamaica | | Seychelles Rupee Sierra Leone Leone | 5.3943 |
| Brazii | Courante (e) (10) | 13.81 | Japan Yen | 179,00 | Sierra Leone Leone | 6,00 |
| | Delies | 2,1795 | Jorden Dinar | 0.5427 | Singapore Dollar Solomon is Dollar | 2,1795 |
| Brunei | DONE | 0.964 | Kempuchen Rial | ; n.a. | Solomon is Dollar | 1.6181 |
| Buigaria | LEY . | | KenyaShilling | 14,2733 | r somali Red Shiring | 36.DD |
| Burkina Faso | C.F.A. Franc | 362.50 | Kiribati Aust Dollar | 1,3885 | Rand(f) | 3.1496 |
| Burma | Kyat | 7,5203 | Kenya Shilling Kiribati Aust Dollar Korea (Nthi Won | 0.94 | South Africa | 2.1358 |
| Brunei Bulgaria Burkina Faso Burma Burma | Franc | 108,449 | Korea (Sth) Won | 885.30 | Spain Peseta | 147,90 |
| Camerous Rp | C.F.A. Franc | 362,50 | Kores (SUI) | 0.2906 | | 141,30 |
| Canada Canary Is | Dollar | 1,392 | Kuwait Dinar | 35.00 | Span Ports in N. Sp. Peasta | |
| Canazy I. | Rr. Pesets | 147.90 | Lac Pipis D. Rep Kip | 22,65 | Sp. Pesets | 147.90 |
| Cara Vanda la | Fecurio | 89.2698 | Lebanon Pound | 3,1496 | Alrica | 27,643 |
| Cayman Issued | Coffee | 0.835 | Lesotho Maloti | 3,1430 | Sri Lanka | |
| Carrier Horses | CEA E | 362.50 | Liberia | 1.00 | Sudan Rep | 2.50 |
| Chad | | 362.50 | Libva | 0.2961 | Sugan Rep Pound (f) (8) | 4,00 |
| CR30 | C.F.A. Franc | | Liechtenstein Sw. Franc | 1,964 | Surinam Guilder Swaziland Lilangeni Sweden Krona | 1.785 |
| Citille | Peso (0) | 185,60 | Luxembourg Ltox, Franc | 1 48.15 | Supplied Liangeni | 3,1496 |
| Chira | Renmino Yuan | 3,221 | Macao Pataca | 8.1227 | Sweden Krona | 7.388 |
| Colombia | Peso (o) | 191,50 | Madegascar D.R. Franc | 713.69 | Switzerden - Franc | 1. 964 |
| | | 362,50 | Madeire Port Feorido | 152.50 | Switzerland Franc Syria Pound (o) | 3,925 |
| Congo Pols Rep. of | C.F.A. Franc | 862.50 | Malawi aurania Kwacha | 1,8087 | SALIS | 0,0-0 |
| Costa Rica | Colon | 54,33 | Waldal Minister of the Control of | 2.696 | . | 38.76 |
| Cripe | Peto | 0,8779 | Malaysia Ringgit | 7.00 | Talwan Dollar Tanzania | |
| Сургиз | Pounds | 1,9425 | Meldive is, Rufiya | 368.50 | Tanzania | 16.101 |
| Cypi us mana-mana | Verice (e) | 6.10 | Mail Rp G.P.A. Franc Mailta Lira* | | Thailand Baht | 26.48 |
| Czechoslovaida | MOTULES (U) | | Maita Lifa" | 2,4661 | Togg Reg C.F.A. Franc | 362,50 |
| Denmark | Krone | 8,69 | Martinique Franc | 7,25 | Tongs to Palanga | 1.3886 |
| Denmark. Dibouti Rp. of | Franc | 177.00 | Mauritania Ougulya | 77.00 | Trinidad & Tobago Dollar Dollar (h) | 2.409 |
| Dorte (nice | E. Caribbean 5 | 2,70_ | Mauridus Rupes | 13.60 | Trinidad & Tobago Dollar (%) | 3.60 |
| Domin, Rep | i Peso | 2,715 | (Been id) | 485.CD | Tunisia Dinar | 0.725 |
| оспи, нар | TPeso (d) | 2,80 | Mexico | 475,00 | Turkey | 673.10 |
| _ | | - | / Faso (6) | 7 25 | Turkey Lira(18) | 1.00 |
| S | Sucre (d) | 140,00 | Miguelon Fr. Franc | 7 20 | Turks & Calcos U.S. 8 | 1,00 |
| Ecuador | Sucre (f) (4) | 109.35 | Monaco Fr. France | 7,25 | Tuvalu Aust. Dollar | 1,3885 |
| | | | Mongolia Tugrik (o) | 3,3566 | | |
| Egypt | Pound (a) | 0,83 | Montaerrat E. Caribbean \$ | 2.70 | Uganda Shilling | 1458.30 |
| E#3 hr *********************************** | l Pound (a) | 1,35 | Albitalitation | 1 - | | 3,673 |
| El Salvador | (Colon | 5.00 | Morece Dirham | 9.28 | United Arab Emir, Dirham | 1.4715 |
| FI 251/500L | (Colon (d) | 5,00 | Morocolana Matte | 40.48 | United Kingdom Pound Sterling* | |
| Eq'ti Guinez | C.F.A. Empo | 362.50 | Mozambique Metica | 3,1496 | Uruguay Peso (m) | 136.80 |
| | Corac Piers | 2.0727 | Namibia S. A. Rand | 9.1480 | l USBR Rouble (7) | 0,7275 |
| Ethiopia | Delt. (0) | | İ | | Vanuaty Vatu | 97.2243 |
| Faeroe is | Dan. Krone | 8.69 | Marine In Since Parties | 1.3965 | VeticenLira | 1604.00 |
| Falkland is | Pound* : | 1,4715 | Nauru is Aust. Dollar | 30.50 | | |
| FU), | Dollar | 1.0911 | Nepal Rupee | | (Bolivar is) | 7,50 |
| Finland | Markke | 5.245 | Netherlands Guilder | 2,669 | Venezuela | 4.30 |
| Francis Malerinis | Eman | 7.25 | Neth Anties Guilder | 1.80 | A ALL MARKAGES AND AND THE STATE OF STA | 18,875 |
| France | CE S Compa | 362.50 | New Zealand Dollar | 1,6123 | (Politari (p) | - |
| ro y xy iii Al | ٠٠٠٠, Franc | | (Cordobe /K) | 70.00 | Vietnam Deng | 12.595 |
| Fr. Guiana | - Lauc | 7,25 | Nicaragus (Cordoba(5) | 975,00 | Vietnam | 1.00 |
| Fr. Pag. la | C.F.P. Franc | 131.818 | / Counonside | | Andin is Directly 0.9 9 | 1.00 |
| aphon | C F A Franc | 362.50 | Niger Rp C.F.A.Franc | 362,50 | Virgin Is. U.S U.S. \$ | 1.00 |

n.a. Not available. (m) Market rate. * U.S. dollars per National Currency unit. (a) Friedrantial rate. (b) Friedrantial rate. (c) Commercial rate. (d) Freedrantial rate. (e) Controlled. (i) Financial rate. (g) Praferantial rate. (h) Non-essential imports. (i) Financial rate. (j) Public Transaction rate. (l) Vaneguelat For debts incurred prior february 1983. (2) Oman. January 25. 1986: Risi devalued by approximately 10.2 per cent. (3) Folone, February 2, 1986: Sucre devalued by approximately 13.5 per cent. (4) Ecuador, January 29, 1986: Sucre devalued by approximately 13 per cent. (5) Nicaragus, March 1, 1986: Devaluation. (6) Peru, January 1, 1988: New currency introduced—1 int = 1,000 Soles. (7) USSR, February 21, 1986: Official rate cut by Soviet State Bank. (8) Sudan, March 11, 1986: Pound readjusted. (5) Guines Republic, January 3, 1986: Franc, new exchange rate announced. (10) Brazil, March 1, 1986: New currency introduced—1 Cruzedo = 1,000 Cruzeiros. (12) Israel, January 8, 1986: Shakel devalued —1 New Shekel = 1,000 Old Shakels. (13) Tutkey, March 15, 1986: Lira officerively devalued by 5.23 per cent. (14) Ghana, January 12, 1886: Cell devalued by one-third. (15) Gembia, January 20, 1988: Dalasi treely floating. For further information please contact your local branch of the Bank of America.

0.386

Oman Sultanate of Rial (2)

MONEY MARKETS

London rates easier 11-k per cent and £20m bank ment with the Bundesbank, 9, DM 17.7bn will drain from bills in band 3 at 114 per cent. Late assistance of around £55m was also supplied. By 185 ment expired. Credit conditions are expected to remain comfort.

Interest rates declined on the London money market yesterday, as dealers remained optimistic of a cut in clearing bank base rates. A reduction of 1 per cent to 11 per cent is looked for, providing next week's UK money providing next week's UK money supply figures are satisfactory, and there are no shocks with regard to sterling or the oil market. Ministers from the Organisation of Petroleum Exporting Countries are expected to meet in Geneva on April 15, and according to the Indonesian oil minister, speaking in Jakarta yesterday, agreement on production cuts is likely.

Three-month interbank fell to The Bank of England initially forecast a market shortage of around £400m, but changed this to £500m at noon, and to £450m in the afternoon. Total assistance Fed funds at intervention.

was \$328m.

Before lunch the authorities bought £132m bills outright, by way of £2m bank bills on band 1 at 11½ per cent; £90m bank bills in band 2 at 11½ per cent; £4m local authority bills in band 3 at 11½ per cent; and £36m bank bills in band 3 at 11½ per cent.

In the afternoon £141m bills were purchased outright through £131m bank bills in band 2 at MONEY RATES

ment expired. Credit conditions are expected to remain comfortable in April, as the high level of tax payments made in March declines, and on April 10 the Bundeabank pays up to DM 6bn of its profits to the Federal Government, money which will find its way quickly into the market. Next Wednesday, April Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £658m, with a rise in the note circulation absorbing £15m. These outweighed Exchequer transactions adding £220m to liquidity and bank balances above target by £35m. In Frankfurt call money was unchanged at 445 per cent, in spite of a liquidity drain of DM 5bm. Commercial banks received DM 9bm through a 34-Bills maturing in official received DM 9on through a 34-day securities repurchase agree-(Lanchtime)
Prime rate
Broker losi rate
Fed funds at intervention Treasury Bills & Bends
One month

Company Depos.
Finance House Depos
Finance House Depos
Finance House Depos
Sank Elits (Buy)
Sank Elits (Buy)
Sont Timbed Depos
Soft Linked Depos
FGU Depos

FT LONDON INTERBANK FIXING

offer 75/18

(11,00 a.m. April 3)

Three months US dollars

The lighty rates are the arithmetic masse, rounded to the nativet consistents, of the bid and offered rates for \$10m quoted by the market to

LONDON MONEY RATES

April 3

Treasury Bills (sell): one-month 11½ per cent; three-months 10½ per cent. Bank Bills (sell): one-month 11½ per cent; three-months 10½ per cent. Treasury Bills: Average sender rate at discount 10.7440 per cent. ECGD Fleed Finance Scheme IV reference date March 5 to April 1 (inclusive): 11.677 per cent. Local sutherity and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Bask Rate 12½ per cent from April 1 1986. Bank Deposit Rate for sums at seven days' notice 5% per cent. Certificates of Tax Deposits (Series 6): Deposits £100,000 and over held under one month 11½ per cent; one-three months 11½ per cent; three-six months 10½ per cent; anne-12 months 10½ per cent; Under £100,000 10½ per cent from March 25. Deposits held under Series 5 10½ per cent. Deposits withdrawn for cash 7 per cent.

| 33 591713H FUNDS ! AMERICANS—Cont. I | | Financial Times Friday A | April 4 1986 Centioned |
|--|--|--|---|
| 1926 Price or Virid 1936 Price or Sin Virid 1936 Price or Sin Virid 1936 Price or Sin Virid Or Sin Virid Or Sin Or Sin Virid Or Sin Or Sin Virid Or Sin Virid Or Sin O | LONDON SHARE SERVICE BUILDING, TIMBER, ROADS—CONT. DRAPERY & STORES—CONT. | 7 41 Revenie Ch. Shallin . 54+4 126 162 116 steam 166 188 | + or Se |
| 06.2 06.2 06.2 07.2 | 1986 1987 1988 | 400 233 Carda Erg. 960 +25 112.5 2.6 4.9 19.9 7 September 25 64 56 Casterys 10p 62 72.5 2.9 5.7 8.6 305 28.0 Do. Beccard Rept 27 | 110 82 - 129 - |
| 100.1 doi: 100.1 feet 100.1 feet 1 100.1 fee | 30 (6) Engli | 90 70 Concentre 10p 86 37 20 61 118 312 256 Aver Rather 12 27 111 72 Con (Wal) (Sp) 20p 188 72 75 20 3.6 180 258 139 388 Gross 25 | 21-21 0164 0 07 0 3 -2 5737 27 106 8 20 0 11 0 |
| 60. 805 frameon for 1502 | 85 79 Canterer 59 85 42 44 15 73 132 175 140 (AWActes 400 170 123 06 33 47.4 37 175 (Caster 141) 100 37 41 18 9 72 9 117 97 Washington Highs 50 52 42 40.0 43.1 17 17 17 17 17 17 17 | 31 23-7 Carper Ints, 10p 28 0.75 2.4 3.8 12.3 81 66 SETEC 8.4 | 1 |
| 10 10 10 10 10 10 10 10 | 134 Heinerson Williams 224 of 50 75 20 / 44 138 317 105 48 Betrone 257 d. 80 3.3 42 9.3 130 Hoper & Hull 550 45 112 34 31 110 53 28 28 28 28 28 28 28 2 | 201 190 Derintered Stp. 222 4-5 16.3 2.8 4.0 12.7 56 4.0 Barrow Reptant 5 293 167 Derintter Bress 258 -7 1.3 4 3.5 6 1.3 2 24 Bayrov (Canted Mo 2 194 157 Barrow (Rigsa) 194 156 2.8 2.0 4.3 6 2.0 4.3 6 2.0 4.3 6 2.0 4.3 6 2.0 4.3 6 2.0 4.3 6 2.0 2.0 6 2.0 | 02 |
| 105.1 93 Teas 105.1 105.1 105.1 105.1 105.2 | 88 75 5 Junitations Pt. 10p. 185 427 6 7.1 6 250 200 1200 Happer large rates 5p 259 | 75 57 Frank C. M. 1 (0p. 75 +1 10 4 (3.7 0.8 47.7 29 19 Beston 10p. 28 Febres ob 5p. 37 4.1 3.2 1.4 10.9 11.5 85 Beston 10p. 3.1 11.6 84 GE Instance Exp. 10p. 12.6 3.5 4.2 4 34.5 71.5 Beston 10p. 3.2 3.5 4.2 4 34.5 71.5 Beston 10p. 3.2 3.3 4.2 4 34.5 71.5 Beston 10p. 3.2 3.3 | 529 18 65 185 1-1 425 11 46 7248 1-15 60 4 25 4 567 60 4 19 4 1-15 865 23 30 190 1-15 865 23 30 190 1-15 865 23 76 1869 |
| 117 1075 Feet 1126 1962 1134 125 125 125 125 125 125 125 125 125 125 | 19 | 385 259 600 ft 385 st 7 12 0 d 6 4 4 17 m 200 140 8 st 6 4 8 17 m 200 140 8 st 6 4 8 17 m 200 140 8 st 6 4 8 17 m 200 140 8 st 6 4 8 17 m 200 140 8 st 6 4 8 17 m 200 140 8 st 6 4 8 17 m 200 15 | 7 04 102 23 33 10 0 12 23 33 10 0 12 23 33 10 0 12 12 23 13 12 13 13 13 |
| 124 125 | 106 100 Marchall Hairlan 170 65 0 23 3 77 16.8 2184 | 44 ZZ-100x5m & Firsh 10p 423 -1-1 8-1 - - 271 1151 80rp-W. USS250 528 125 65 100x5m & 5 Suprama 1140 -2 3.85 \$\phi\$ 4.8 \$\phi\$ 353 255 8 outer lets 51 334 337 25 8 outer lets 51 334 337 25 8 outer lets 51 346 337 237 8 outer lets 51 346 347 3 | +5 120 0.6 4.9 15.0 +5 145 3.2 1 4.3 +10 16.2 2.3 3.1 18.5 |
| 108 \$20,500 10 105 107 108 400 53 400 107 108 52 400 108 | 212 160 Normphum Ench 208 +1 6.5 2.1 3.4 15.5 160 82 Hash Rada 100 143 41.2 6.1 12.1322 17.5 183 CAP 100 225 18.5 4.9 8.9 8.7 183 CAP 100 225 18.5 4.9 8.9 8.7 18.5 4.9 8.9 8.5 183 CAP 100 225 18.5 4.9 8.7 8.5 183 CAP 100 225 18.5 4.9 8.7 8.5 | 86 64 Lamend. | 50 4 40 4 -1 150 24 49 145 24+9 158 27 38 129 |
| 150-110; 1-est total 1007 | 481 342 Redismo | 230 125 Marcatar 219 -40 - | +7 1622/9.4 36 4 13 14 73 136 13 14 73 136 15 45 45 45 45 45 45 45 |
| 12:-0.103; Each Live 1905 135:-0.105; Freed Phys. 14402 145:-0.105; Freed Phys. 14402 147:-0.105; Freed Phys. 14402 147:-0.105 | 374 278 [368 Group | 216 161 Perior Comment 218 -1 45.5 1.7 5.6 13.2 138 | +2 1211 23 44 131 +2 1084 13 58 132 +2 122 22 10 171 +2 123 13 123 125 +3 +4 123 124 125 |
| 10940 42 4 4 4 4 4 4 4 4 | 572 473 Garber Woodroom 555 -2 q15.0 22 38.15.1 72 50 406E Technology 10p 52 130.1 130 137 1380 138 -2 148 2.1 43 1154 400E Technology 10p 133 1.0 18 11 11 116 133 1.0 18 1.1 12 12 11 12 | 172 120 100 get/concept** 313 124 135 126 135 126 135 126 137 13 | 15425 7 4400 4 8-45 70 - 4 10 21 38 172 10 - 01 - 08 385 18 6+ 121 |
| 10 10 10 10 10 10 10 10 | 280 195 Warrogian 280 16*0 31 45 100 51 30 Dentural W 100 48 -3 1.05 33 3.1 10.9 290 246 Ward Hilles 100 285 7.25 2.6 36 13.2 350 262 Dommo Print Sc. 50 340 1.07 13.0 191 50 Warrogian Thus) 64 450 4 50 6 Dommo Print Sc. 50 340 1.07 13.0 192 47 Warter Bros 80 2 10.37 13 160 212 178 Doubles 55 3.07 178 2.28 4.0 1.3 2.8 1.0 193 467 Warrogian Group 100 51 128 1.0 1.0 1.0 193 Warrogian Group 100 51 128 1.0 1.0 1.0 194 194 Warrogian Group 100 51 1.0 1.0 1.0 194 194 Warrogian Group 100 51 1.0 1.0 1.0 195 Warrogian Thus) 410 48 43.0 11.1 19.1 19.4 195 Warrogian Thus) 48 -3 1.05 3.5 1.05 3.5 1.05 195 Warrogian Thus) 48 -3 1.05 3.5 1.05 195 Warrogian Thus) 49 -3 -3 -3 195 Warrogian Thus) 49 -3 -3 -3 195 Warrogian Thus) 49 -3 -3 195 Warrogian | 18 | 015c + 83 + 060d 29 40 86 +12 55 + 24 + 0 1437 L8 31 244 31 L5 67 1139 |
| 16 18 40 manuscrator 2005 165 165 15 15 15 15 15 | 100 120 | 117 83 500 Group | +11 85.0 25 33 18.7 55.0 |
| 907 76 (1994 74c 2011) 557 | 388 200 Americant Intl. 382 16.0 2.0 22 17.6 66 47 FKI Eter 10p 66 -1 01.5 5.2 1.1 2.3 2.5 17 Anchor Democh 223 4.25 2.7 18.4 250 197 Farrell Eter 5.0 218 -5 118 48 1.2 25 1.3 1.5 | 201 153 Stoller's Paris 160 495 6.65 4 1.9 4 81 40 Counter Page 200 340 45 70 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | HE 185 31 35 107 +2 HEZD 13 61 25.9 _ HEGE31 21 28 182 |
| 36 23 36 36 36 36 37 37 37 3 | 130 83 Cammon (W) 130 3.55 \$\phi\$ 39 \$\phi\$ 214 166 (inc. 5g | 43 31 Tyzack (W. A.) 10p. 43 +5 1.7 1.9 5.6 13.0 220 178 Darm & Warden 217 55 27 thu Spring 10p. 50 1.5 1.8 4.2 18.9 17.5 De La Rue 518 130 110 Victor Products 130 130 22 35 165 9 13 18 Defaury Top 10p. 40 130 110 Victor Products 130 110 14.6 0.4 5.9 197 18 Defaury Top 10p. 40 145 27 W. A. Hildy 10p. 33 1-1 0.11 0.5 36 27 Declared Sp. 130 120 Warden 50p. 237 453.0 0.2 ± 100 Warden 50p. 237 143.0 0.2 ± 100 Warde | +2 169,09 30 57 6.8 |
| 103 66 51 52 53 54 53 54 57 540 555 150 Value Frequent 1255 51 8 6 6 6 6 6 6 6 6 6 | 20 128 50 shere 185 18 18 18 18 18 18 1 | 47 52 Wather (C.4 W.) 159 65 63.75 59 2.3 7.5 118 94 Normonic tex. 200. 118 69 New Group 119 2 22.87 3.7 3.4 9.9 52 628-\$ Cheer Cong. (USS). 53 114 68 Da. (Dor Con Pri 114 set-5 288 4 3.4 9.9 57 56 Cheby Sian, 10p 56 27 142 Webssan 28 8 3.4 9.9 57 58 Cheby Sian, 10p 56 27 Webssan 28 43.0 52 7.5 28 28 28 28 28 28 28 2 | -1 (50 22 65 81 -1 805 - 20 - -1 418 10 46 308 -2 41 133 35 20 050 |
| Fig. 1900 De 2 for 13 10 4 CS 1 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 | 133 Michago and Sup. 443 and 15 ft 4.8 6 140 90 Prochem 135 e 50 05 52 986 1100 70 Prochem 15 e 50 05 52 986 1100 70 Prochem 15 e 50 18 100 16 91 Prochem 15 e 50 30 39 37 18 18 100 16 91 Prochem 16 91 90 90 93 30 39 37 18 18 18 18 18 18 18 1 | 43 | +11 16.0 26 29 17.1 06.1 13 7.8 9.5 14.5 18.0 7.2 46 31 48.2 48 |
| INT. SANK AND CISEAS Co. 8 m International Cisea 0.37 0 | 46 25 - Minter i R H. 100 44 15 13 48 23.4 173 65 - Magnet March No. 70 1 v2.8 3.1 5.5 6.4 173 180 Month R H. 20 2204 4 15 16.8 173 180 | 256 130 250A MF1 Group 148 -2 2273 2.9 24 18.3 177 25 Electri 10s 36 275 Electri 10s 375 330 Argid Group 380 415 57.73 2.8 30 175 Electri 20s 375 330 Argid Group 380 415 57.73 2.8 30 175 Electri 20s 375 380 415 | 015% # 67 # |
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| 100 00 01 17 0 05 1 10 10 10 10 10 | 190 184 190 184 190 184 190 184 190 184 | 28 16 SBo-1 lociates 100 28 -2 25 11 27 28 27 28 28 28 28 28 | 1-2 +6.75 2.6 2.7 2.0 1.1 1.2 2.9 1.7 1.6 1.0 1.2 1.9 1.9 1.9 1.9 1.9 1.9 1.9 1.9 1.9 1.9 |
| CORPORATION 1 DANS 255 162 (Mamber 50 223 1410 165 - 41 - 1 | 15 103 0.8 2.5 (r. c. part + 1) 107 8 4 11.5 56 421 MEC Corpu Y50 532 4 019 39 0.5 53.6 | 36 25 Chambers & Fargas 34 | -6 5.5963.2 13 266 -2 500.304 19 65 10.2 -60230 17 65 11.1 3.8 3.7 45 8.6 3660.74 48 31 12.4 -12 60.4 - 0.3 - |
| 951 93, 94rt styn 1995 37 957 179 1005 1159 (11 MCros 5 121 1813 32 182 183 133 182 183 135 183 137 183 137 183 138 183 1 | 70 December 1 Nation 10 10 10 10 10 10 10 1 | 275 230 Dec Cap 50 287 287 258 279 28 273 174 1157 Following 1502 1603 174 175 175 287 279 28 279 279 279 279 279 279 279 279 279 279 | 7.0 3.9 3.4 9.7 +2 1.5 7.2 1.8 8.2 3.0 2.6 2.9 18.4 1 \$10.0 3.1 2.4 27.4 |
| 994 976 00 7166 1956 98 1288 1288 1289 1289 1289 1289 1289 1 | For Erry Home Signer, see Secretainse 17:0 23 21 28.7 17:5 120 Philips La F10 1245-4-9 4207-0 4 23.3 0.0 5 200 Srown 1/1 2/0 1590 17:0 23 21 28.7 175 120 Philips La F10 122-4-0 6 52.8 32 4.1 20.8 154 242 Burton Group Sup. 348 | 60 40 46 Ichail Grs. 10p 20 225 18 79 9.9 99 59. [Comme littls. 253 177] Grs. 253 177 Grs. 253 1 | 45 60 6 34 6 -2 47.1 1.8 3.6 21.9 62.1 2.6 3.7 14.5 10.55 3.4 8.2 4.8 |
| LOANS \$\frac{2594}{2594} \cdot \frac{59473}{2594} \cdot \frac{59473}{25944} \cdot \frac{59473}{2594} \cdot \frac{59473}{25944} \cdot \frac{59473}{2594} \cdot \frac{59474}{2594} \cdot \frac{59474}{2594} \cdot 59474 | 20 17 20 20 20 20 20 20 20 2 | 3072 25 Hyrael (Lack L.) 4p 281 10.5 2.3 2.5 2.5 2.5 114 98 De 3/Sect.Called 1120 63 Lacob (W. 6.7 + 1.20 lat. 200 | 422 5.75% — 72 — +2 14.5 26 3.8 14.1 4 +4 17.7 15 51 19.0 4 +2 11.16 29 39 12.3 4 -2 18.0 25 40 14.2 4 -2 M3.56 25 21 39.4 4 -2 M3.56 25 21 39.4 4 |
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MARKET REPORT

Account Dealing Dates Option

*First Declara Last Account Dealings tions Dealings Day
Mar 10 Mar 26 Mar 27 Apr 7
Apr 1 Apr 10 Apr 21 Apr 21
Apr 14 Apr 24 Apr 25 May 6 " New-time " dealings may take place from 9.30 am two business days

Obtainer.

The charge higher in London equities continued yesterday and the glory went to Store shares. Intense speculation and a heavy Initiase speculation and a heavy turnover was sparked off in the sector by early news that High Street retailer Dixons was attempting to take over rival group Woolworth with a bid valued last night at nearly £1.8bn. Dixons' share exchange terms, initially worth 715p per Woolworth share, were called derisory by the Woolworth board. Investors immediately caught the scent of a contested battle and Woolworth shares rose sharply on speculation that a much higher offer would be necessary to win the day. Woolworth touched 890p before closing 27 up at \$60p, while Dixons bounded shead to end 50 higher ing 27 up at \$60p, while Dixons bounded shead to end 50 higher at 420p, after 438p, on suggestions that the group had been forced into making a defensive offer, being aware that it could fail prey to an approach from another retailer, Sears.

Other Store leaders rose strongly as investors searched for the next bid candidate. Many stocks scored double-figure gains

stocks scored double-figure gains until the atmosphere began to cool in the late business. After-hours' profit-taking then pared the gains in two main contenders and brought most other leaders away from the highest levels. Other areas of the market suffered because funds available for investment were siphoned for investment were siphoned off by the sustained activity in Stores. The majority of blue chips opened buoyantly in the wake of New York overnight, drifted a shade lower and then firmed again late. Within 30 minutes of the start the FT-SE 100 share index was 18.8 up, baland by opened in Stores by helped by events in Stores, but it eased back to close a net 14.7 higher on the session at 1717.6. A sterling/oil sensitive market

in Gilt-edged stocks was unable to regain its recent ascendency. Further profit-taking found buyers reluctant and prices drifted back again with the accent of longer maturities. A downward trend in Gilt futures also affected sentiment and selected longs closed the day as much as § down. The shorts were more resilient and index-linked fared even better, posting gains ranging to § on revived small demand which found stock in short supplies. in short supply.

Clearers down again Clearing banks remained an solated dull area as US bank debt uncertainties prevailed. NatWest led the retreat with a fresh fall of 25 to 890p, while Barclays dropped 15 to 538p and Lloyds relinquished 14 at 638p. Midland closed 13 off at 508p. Elsewhere, Standard Chartered were subjected to revived takeover energiation and tumped

EQUITY GROUPS

& SUB-SECTIONS

CAPITAL 60005 (212) Building Materials (24) Contracting, Construction (28)

Mechanical Engineering (64) ... Metals and Metal Forming (7).

CONSUMER GROUP (185) .

Brewers and Distillers (23) ... Food Manufacturing (22) Food Retailing (14)

Publishing & Printing (14) ..

Packaging and Paper (14)... Stores (44).... Textiles (17)....

FINANCIAL GROUP (118)

nsurance (Brokers) (8) ... Herchant Banks (11) Property (51)...... Other Financial (25)

Investment Trusts (103)

FT-SE 100 SHARE INDEX 4 ...

Mining Finance (3). ALL-SHARE INDEX (738

Banks (7)..... Insurance (Life) (9)..

Chemicals (19)........ Office Equipment (4) ..

Tobaccos (3). OTHER GROUPS (85)

Oil & Gas (17)

Buoyant Store sector leads fresh charge higher in equities

Among merchant banks, Mercus Securities, in which Mr Saul Steinberg of the US holds a sizeable stake, jumped 60 to 930p, while associated stock-jobbing concern Akroyd and Smithers leapt a similar amount to 750p in sympathy. to 750p in sympathy.

A broker's "buy" recommendation in the wake of the annual results helped GRE advance 40 to 818p. Sun Alliance, meanwhile, gained 33 to 748p on further consideration of the better-than-expected preliminary forures while perennial takebetter-than-expected preliminary figures, while perennial takeover favourite Commercial Union moved up 7 to 315p. Elsewhere,
Abbey Life's annual figures were well received and the shares
closed 6 to the good at 216p.
Improvements of 16 and 23
respectively were seen in Britannic, 903p, and Prudential, 965p.

Speculation about a possible higher offer from Gunness saw Distillers race ahead to 693p before the shares reacted to 675p and closed only 12 dearer on balance at 682p following the late announcement from Guinlate announcement from Guinness that it would not be
increasing its offer; the latter
moved up sharply late to close
14 better at 341p, while rival
suitors Argyll Group ended 15
to the good at 360p. Elsewhere
in the drinks sector, Vaux gained
25 to a new peak of 490p on
continuing talk of a bid from
Pleasurama.

The major coment manuface

The major cement manufac

turers were given a strong boost by news that cement prices will rise by 4 per cent in July. Blue Circle touched 706p prior to closing 25 higher at 696p, while Rugby Portland Cement gained 5 to 189p, after 191p; the latter's 5 to 189p, after 191p; the latter's annual results are due next Monday. Other leading Building issues to attract fresh support included RMC, up 14 more at 650p, and Rediand, 6 higher at 481p. Favourable comment on the annual results prompted good support for AMEC which advanced to 297p before settling 19 up on balance at 290p, while Barratt Developments firmed 6 Barratt Developments firmed 6 to 15-tp. Elsewhere, brick con-cern Ibstock Johnsen hardened a couple of pence to 188p follow-ing preliminary profits in line with market estimates. Derek Crouch gained 4 to 148p on news of the new opencast mining contract worth some £30m with the

ICI were overlooked in the fresh upsurge and closed unchanged at 952p. Eisewhere in the Chemical sector, Hickson International continued to trade

FT-ACTUARIES SHARE INDICES These Indices are the joint compilation of the Financial Times.

the Institute of Actuaries and the Faculty of Actuaries

Thurs April 3 1986

| No. | Coarge | No. | Charge
| Index | Day's | Day's | Day's | Apr | Apr | Mar | Mar | Mar | Mar | No. | Change | High | Low | 2 | 1 | 27 | 26 | 25 | 290 | 1717.6 | +14.7 | 1721.7 | 1713.5 | 1702.9 | 1684.8 | 1668.8 | 1653.9 | 1633.8 | 1278.5 |

9.92

10.06 9.99 9.92

Shares traded (mn... ~ 302.2 284.9 376.9 414.1 303.9 165.7 10 am 1432.2. 11 am 1424.9. Noon 1424.6. 1 pm 1425.1. 2 pm 1425.0.
 3 pm 1425.0. 4 pm 14260. Day's High 1432.2. Day's Low 1423.9. Basis 100 Government Securities 15/10/26. Fixed interest 1928. Ordinary 1/7/38. Gold Mines 12/9/56. SE Activity 1974. Latest Index 01-245 8026. "Nil = 13.02. † Corrected.

| 1 | HIGHS A | AND L | S.E. A | CTIVIT | Y | | |
|-------------|-----------------|------------------|---------------------|--------------------|-----------------------------------|----------------|---------|
| - 1986 | | 86 | Since Co | mpliat'n | INDICES | Apr. 2 | April) |
| | High | Low | High | Low | Dally Gift Edged | . — | |
| Govt. Secs. | 92.55 (1/4) | 80,39 (20;1) | 127,4 (9/1/55) | 49 18 | Bargains Equities | 177.5 278.7 | |
| Fixed Int | 96,25 (2:4) | 86,55 (26/1) | 150.4 (28/11/47) | | Bargains Value 5 dayAverage | 1436.0 | 1,194.6 |
| Ordinary | 1425.9 (5:4) | 1094 3 (14/1) | | 49,4 | Gilt Edged Bargains Equities | 184.5 | 184.3 |
| Gold Mines | 357.0 (27,1) | 257.5 (2/1) | 734.7 (15/2/88) | 43.5 (28/19/71) | Ramains | | |
| | | i | | | ' | ' | 1 |
| | • | | | | | | |

mance by leading retailers in the wake of the surprise Dixons/ Woolworth bid development left old takeover chestnuts Harris
old takeover chestnuts Harris
uensway 24 to the good at 298p
and W. H. Smith A, the same
amount better at 360p. Storehouse advanced S to 360p and
Combined English firmed 4 to

Combined English firmed 4 to 260. Burton, meanwhile, touched 354p following the interim results, but reacted late to close unaltered at 348p. Next, with interim figures scheduled for next Tuesday, put on 13 to 294p. Among secondary issues, those bid favourites to come into their own included Freemans 26 those bid favourites to come into their own included Freemans 26 to the good at 454p and Grattan 20 dearer at 454p. Etam moved up 6 to 274p, while talk of an imminent offer of 140p per share helped Martin Ford move up 3 more to 111p. Helene of London attracted speculative support at 31p, up 4, while Ward White continued firmly at 334p, up 12. up 12.
Leading Electricals trended a

unchanged at 952p. Elsewhere in the Chemical sector, Hickson international continued to trade firmly and rose 8 more to 43p. while Brent Chemicals revived with a gain of 9 at 167p. Buyers again favoured Foseco, up 8 more at 298p. but Coates, Brothers, A of abid from Amstradf settled shed 3 to 134p following com-Another remarkable perfor. hed 3 to 134p following com- only 2 higher on balance at Another remarkable perfor 107p; Amstrad, a rising market

Thers March 27

Index No.

FINANCIAL TIMES STOCK INDICES The preliminary figures from Reckitt and Colman were well re-ceived and the price advanced steadily to close around the day's best with a gain of 64 at 900p. Among the other miscellaneous industrial leaders, Metal Box is

> of late, reacted 8 to 442p. Micro Focus were good at 245p, up 20, after 250p, but Acorn Computer dipped 8 to 72p following the preliminary steement. preliminary statement.

> Vickers, again assisted by nationalisation compensation hopes, continued to make pro-gress and put on 15 to 528p. GKN edged up 7 further to 385p. Outside of the Engineering Outside of the Engineering leaders, Carclo advanced 25 to leaders, Carclo advanced 25 to 360p in a market none too well supplied with stock. Staveley rose 11 to 468p, while TI edged up 7 to 522p following the aunual report. Noble and Land firmed 3 to 108p in response to the preliminary figures, while Davies and Metcalfe A hardened a couple of perce to 75 on the revelation that Bergische Stahl-Industrie of Germany has acquired a stake of around 10.4 per cent in the Ordinary class

capital.

S. & W. Berisford, up 4 at 230p, continued to edge higher helped by the announcement that potential bidder Tate and Lyle had increased its stake to 9.1 per cent. T & L closed 5 higher at 648p, while Hillsdown Holdings, which speaks for just over 10 per cent of the Berisford equity, gained 8 more to 276p. Elsewhere in the Food sector, Clifford's Dairies A' put on 27 to 228p. reflecting is broker's recommendation and revived takeover speculation. Avana found support following a broker's lunch and rose 41 to 585p. Among Retailers, Tesco firmed 5 afresh to 375p, while William Morrison gained 16 to 200n in reply to the good samuel William Morrison gamed to to 200p in reply to the good annual results. William Low and Nurdin and Pracock both rose 10, to 620p and 180p respectively in sympathy. Associated British

YESTERDAY'S

ACTIVE STOCKS

abandoning the manufacture of drinks cans in the US and is selldrinks cans in the US and is selling its only American plant to Metal Containers. Boots, reflecting the sharp advance in the Store sector, put on 10 to 288p. Trafalgar House closed a like amount dearer at 330p. Elsewhere, Christies International railied 12 to 325p on bid hopes, while comment on the preliminary figures assisted a rise of 12 while comment on the prelimin-ary figures assisted a rise of 12 to 300p in Alexander Workwear. Williams Holdings, up 17 more at 688p for a two day gain of 78, continued to benefit from the proposed purchase of Fairey En-gineering from Pearson. Scottish Heritable Trust advanced 14 fur-ther to 1680 on the good annual ther to 1680 on the good annual trading statement, while Cook-son, due to reveal preliminary figures next Thursday, gained 17 more to 557p. Evered, reflecting more to 557p. Evered, reflecting revived talk that it has sold its stake in Ti Group, rose 14 to 288p. Press mention left Plastic Construction 14 higher at 82p, but profit-taking clipped 20 from Brammer at 345p and left Bowater 15 cheaper at 338p.

at 364p, up 6, while Ranks Hovis McDougall put on 4 to 227p.

The reduction in last year's operating loss encouraged sup-port for BL which moved up 3 to 50p, but Jaguar, still effected by the implications of the duty imposed on ADR's, slipped 7 more to 443p, a two-day decline of 12. In components, FR Group added 10 more at a 1986 high of 390p and Kwik-Fit Holdings rose 5 to 98p.

Garages and Distributors showed BSG International a couple of pence off at 38p despite the 55 per cent jump in annual profits. T. Cowie put on 5 to 191p, Lex Service 7 to 373p and Kenning Motor 6 to 218p, the last-named reflecting the rise in Tozer Kemsley Convertible Pre-Tozer Kemsley Convertible Pre-ference shares.

Good Relations continued firmly at 153p, up 8, while Moss Advertising came to life and rose 12 to 115p.

Attention in Properties again focussed on secondary issues. Recently - overlooked Brixton Estate came to life with a flourish and jumped to 170p be-fore settling a net 8 up at 165p; the annual results are due on April 17. Abaco continued to attract buyers and gained 5 to
50p, a two-day advance of 10. It
while USM-quoted Sheraton a
Securities firmed a penny-moreast
to 43p, Greycoat continued firmly
in ex-rights form and closed 10. It
higher: at 256p, while: Merivale. Moore gained 4 to 145p following
the satisfactory interim results.
Rosehaugh moved up 10 to 595p
and Tops Estates 15 to 400p, at
the latter in a restricted market.
Splinnings included a firm M attract buyers and gained 5 to

Shippings included a firm which advanced 10 to 207p following comment on the preliminary results. P & O rose 8 to 543p and Milford Docks edged up 4 to 75p.
In firm Textiles, Courtaulds

F1,392,

WEDNESDAY'S

EUROPEAN OPTIONS EXCHANGE

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UME IN CONTRACTS: 50,927. B=Bld

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NATN C NATN P PHIL C PHIL P RD C RD P ROBE C UNIL C UNIL P

ACTIVE STOCKS

edged forward 2 more to 315p. EQUITIES while speculative improvements of 6 and 8 respectively were seen in Gaskell Broadloom, 113p, and John Foster, 110p.

Govett Enterprise jumped 38 to 2039 on news that the group is in, merger discussions with Govett Atlantic, a penny dearer at 145p. Among Financials, Argyle Trust rose 4 to 71p on talk of a bid from Guinness Peat.

Oils move ahead

Leading oil shares made fur-ther good progress following a statement from OPEC minister Dr Subroto that an accord on production quotas will be agreed at the April 15 OPEC meeting. BP rose 10 to 565p and Shell put on 11 more to 776p, after 783p; Britoil touched 181p early on before easing late to close unchanged on balance at 178p. Enterprise Oil hardened a penny Enterprise Oil hardened a genny to 143p following comment on the preliminary figures but profit-taking left Tricentrol a couple of pence easier at 76p. Ultramar, where Mr 20n ...Brierley's IEP Securities has built up a 6.45 per cent stake, gave up a similar amount to 188p.

Persistent rumours that Australia's Robert Holmes a Court had built up a 6 per cent stake in RTZ and that a takeover bid for the company is imminent prompted heavy domestic and overseas buying of RTZ which raced up 51 to 760p after a year's best of 770p. demand was also best of 770p; demand was also fuelled by news that UK cement prices are set to rise by 4 per cent in July RTZ's preliminary results are expected next Thurs-day. Consolidated Gold Fields also performed well, improving 15 to 495p.

Cornwall's Geevor Tin, on the other hand, slumped to 30p at one point before steadying to close a net 12 down at 33p—24. lower over the past three trading days—still reflecting news that the company is to halt mining operations and lay off the majority of its workforce from

South African sectors of mining markets took Wednes-day's rally a stage further fol-lowing renewed South African buying interest, and shrugged off another disappointing perform-ance by the bullion price which drifted back after a firm open-ing to end the day a net \$2.25 easier on balance at \$333.25.

Australian mines were again overshadowed by "down-under" banks and industrials and closed mixed. In the leaders, CRA dipped 10 to 332p, Peke-Wallsend eased 6 to 253p and MIM Holdings lost a like amount to 125p.

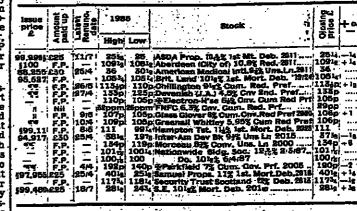
NEW HIGHS AND LOWS FOR 1986 NEW HIGHS (339)

NEW LOWS (41)

RECENT ISSUES

| Seque pride | Amount paid up | Paruna. | 194 High | | Stock | Cloying | +0 | T N | Times | Gross Yield | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |
|---|-------------------|--|---|--|--|--|----|-----|--|---|---------------------------------------|
| \$160 \$4 \$165 \$105 \$120 \$120 \$145 # # \$20 \$15 \$20 # # | F.P. | 18/4 8/4 8/4 4/5 4/4 4/4 1/8 17/5 | 194 140 76 195 165 145 140 177 900 934 | 180 123 65 180 128 112 154 155 725 85 815 118 | Gold Greenless T. Sp. Jarvis Porter 10p Harris Porter 10p Harris Sp. PPL 10p Rodine Sp. Spice Sp Templeton Galbrath Throgmorton USAL | 76 188 158 158 158 157 725 95 | -2 | REL | 3.5 5.5 5.5 5.5 1.2 2.5 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2 | 2.25 1.00 2.5 2.5 2.1 4.1 1.9 | 20.0 16.3 15.0 11.0 6.1 |

FIXED INTEREST STOCKS



RIGHTS OFFERS

| issue price | | Latest Renunc. | 198 | b | | Stock | | price | + 00 |
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| pracer | ₹8 | uate. | Kigh | Low | | ٠ | | 22 | <u> </u> |
| 140 250 140 200 207 150 ir.82 85 100 11 70 425 | NII NII NII NII NII NII NII NII NII NII | 12/6 15/4 9/5 5/5 29/5 29/4 25/4 26/4 | 285pm 70pm 82pm 275 46pm 68pm 44pm 225pm 17pm 17pm 912pm 76pm 154pm | 55pm 16pm 265 35pm 56pm 35pm 225pm 12pm 48pm 512pm 50pm | Crest Mi Cullans Graycos Maywoo Macobs (Liberty Martin Transo Transo | liga. Levepapere. cholison 18p. Hidgs. 18p. Hidgs. 18p. t 18p. d Williams. W.R.) Life Pref. A.) 28p. a T-Line od Sp. | Descriped of Fall being selected by the Selected Selected by the Selected Selected by the Selected being selected by the Selec | 285pm 70pm 52pm 275 46pm 64pm 225pm 17pm 70pm 61epm 154pm | +2 +2 +2 +2 +2 +2 +2 +2 +2 +2 +2 +2 +2 + |

Renunciation data usually less day for dealing free of stemp daty. 5 Figurax based on prospectus estimates. g Assumed dividend and yield. F forecast dividend cover on semings updated by latest interias scatement. H Dividend and Yield based on prospectus or other official estimates for 1985. R Forecast annualised dividend, cover and ple ratio based on prospectus or other official estimates. I Indicated dividends; cover relates to previous dipjends; p/e ratio based on tress annual earnings. of Forecast, or estimated enqualized dividend rate. cover based on previous year's earnings. I Issued by tender. § Offered holders of ordinary shares as a "rights." § Introduction. • Issued by way of capitalisation. • Flacing price. § Reintroduced, • I issued in connection with reorganization, marger or takeover. ■ Allotment price. • Unlisted securities market. • Dealt in under Rule 635 (3). • Dealt in under Rule 636 (4) (e).

TRADITIONAL OPTIONS and Regalism. Scottish and New-First Last Last For castle and Regalian. Scotlish and New-castle and Dewhurst were dealt beal-Deal-Declara-Settle in for the put, but no double ings in ings. Hen internal hostions were reported.

Mar 17 - Apr 14 June 26 July 12 Apr 17 - Apr 18 July 10 July 21 BISES AND FALLS Apr 21 May 2 July 24 August 19 July 25 July 25 July 25 July 26 July 27 July 27 July 27 July 28
Unit Trust Service Stocks dealt in for the call British Funds included F. J. C. Lilley, Dwek, Abaco, Britannia Security, Hall Engineering, Barratt Develop Figure and Press. ments, Sears, BBA.—Dewhurst, GUS A, Jebsons Drilling, Tri-centrol, Turner and Newall, SCUSA, Horizon, STC, Ultramar, Pavion, John Brown, Wellman Engineering, Wordplex, Amstrad

... 877 483 1,402

London Trade Options were not available for this edition

Publication date: May 2 1986 Advertising copy date: April 18 1986

The Financial Times proposes to publish this Survey on the above date. The provisional editorial synopsis is set out below:

INTRODUCTION FINANCE CONTAINERS TANKERS BULK CARRIERS PASSENGER SHIPS SHIPBUILDING 8. SPECIALISED CARGO

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FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

All change

Today's hospitals are about symptoms and illness.

Charing X Medical

 Because the best of cures is many times worse than not being ill in the first place. Agreed?

Then please support us!

people will benefit for generations to come. We need gifts from companies, charitable trusts, societies, schools and not least from individuals if our appeal is to succeed. So please act now.

A hundred pounds to make patients more

comfortable is soon completely used up.

The same hundred pounds directed at rooting.

out a disease may never be used up. If research to that end is successful then the suffering it

prevents is limitless. Incalculable numbers of

CHARING CROSS MEDICAL RESEARCH CENTRE APPEAL Please send your donation, as soon as to: The Honorary Treasurer, Charing' Medical Researth Centre Appeal, 100 Wood Street, London EC2 2AJ

| • | ·FIX | ŒD | INTE | REST | r · | AVERAGE GROSS Thurs Wed Apr Apr 3 2 | Year . ago (approx.) | |
|---|---|-------------------|-----------------|----------------------------|------------------|-------------------------------------|---|----------------------------------|
| | PRICE INDICES | Thurs Apr 3 | Day's change | Wed Apr 2 | xd adj. today | nd adj. 1986 to date | British Government 1 Low | 10.87 10.74 10.27 |
| | British Government 5 years 5-15 years | 122.47 | | 122.63 146.37 | 0.22 | 3.28 3.12 | 4 Medium 5 years | 11.75 11.06 10.48 11.84 |
| | Over 15 years Irredeemables All stocks | | -0.90 | 156.15 174.48 141.12 | — B.09 | 3.61 1.62 3.30 | 8 Coupons 15 years | 11.21 19.59 19.08 |
| | Index-Linked 5 years | 110.45 | +0.22 | 110.21 110.09 | _ | 0.81 | Index-Linked 11 Inflat'n rate 5% 5 yrs 4.04 4.13 12 Inflat'n rate 5% 0 ver 5 yrs 3.74 3.75 13 Inflat'n rate 10% 5 yrs 2.96 3.04 | 8.0 . 0.0 |
| | All stocks | 310.43 | +0.29 | 110.13 | l | 0.00 | 14 Inflat'n rate 10% Over 5 yrs 3.58 3.59 | 0.0 |

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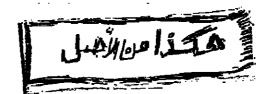
at Charing X.

We want to change all that.

Research Centre is about causes and health.

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WORLD STOCK MARKETS



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NEW YORK STOCK EXCHANGE COMPOSITE

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FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

See-sawing on oil price uncertainty

THE UNCERTAINTIES over world oil prices continued to overshadow the US securities markets yesterday, writes Terry Byland in New York.

Bond prices opened higher, still benefiting from the White House decision not to help Saudi Arabia stabilise oil prices, but were quickly undermined by reports that Opec hoped to reach agreement on output at its April 15 meeting in Geneva. Busy trading in the stock market left

prices showing an irregular pattern. At 2 pm the Dow Jones industrial average was 0.54 up at 1,796.10.

The bond markets were also unsettled by a rally in crude oil futures on the New York Mercantile Exchange, soon counter-balanced by rumours that the Soviet Union might be a seller of oil. Bond futures moved erratically, leading the cash market lower at mid-session when the key long bond was down by half a point

The larger New York banks steadied after a bout of nerves over their domestic energy portfolios. Citicorp added \$1/2 to \$50%, Bankers Trust \$% to \$45% and J. P. Morgan 5% to \$76%.

But tremors erupted among the Texas banks after reports that the federal banking authorities were preparing con-

Frankfurt

Dec 1, 1953 • 100

Paris

ec 31, 1982 - 100

1982

STOCK MARKET INDICES

612.44*

236.05*

1,717.6

832.39

917.63

9.01

1.144.2

114.47

1,796.10* 1,795.26

1983

813.67

191.27

1,419,4

1,702.9

15,272.24 15,555.51 12,683.3

1,218.08 1,243.90 996.91

1.136.0

114.74

3,609,46 3,582,17 2,272,78

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1,588.32° 1,571.36 128.54

n/a

139.2

695.57

2,124.0 2,107.1 1,191.5

1,625,20 1,603,27 1,450,35

253.4

1,216.9 1,143.6

162.24

2,138.54 2,098.57 1,394.58

595.1

307.9

£971.50

£2,345.50

April 3 \$333.25

\$335.25 \$336.76

732.92 264.41

352.17 313.36

597.41 814.18

n/a 244.4

699.94

255.5

161.84

306.3

COMMODITIES

GOLD (per ounce)

560.4

825.0

909.14

8.95

1,258.08

591.56

154.13

179.11

1,274.8

615.7

674.38

10.56

837.5

74.34

183.05

215.7

76.2

164.3

901.0

82 57

202.1

347.65ο £965.50

\$10.70

Prev \$335.50

\$337.84 \$335.20 DM

Quilde

ioffered rate)

Treasury

9%

1993

1996

2016

10% June 1990

3% July 1990

10% Mar 1999

10% May 1993

10% May 2013

11.80 Feb 2013

8% 32nds of 100%

\$1m points of 100%

\$1m points of 100%

\$1m points of 100%

£50,000 32nds of 100%

Federated Dept Stores

Lira

BFr

2000

1500

1000

300

NEW YORK

LONDON

FT Ord

FT-SE 100

FT-A 500

Tokyo SE

AUSTRALIA

Metals & Mins

Credit Aktie

Belgian SE

Composite

Portfolio

DENMARK

FRANCE CAC Gen

Ind. Tendance

WEST GERMAN

Commerzbank

FAZ-Aktien

HONG KONG

Hang Seng

Banca Comm

NETHERLANDS

ANP-CBS Gen

ANP-CBS Ind

NORWAY

Oslo SE

SPAIN

SWEDEN

(London)

London

Zürlch

Paris (fixing)

vew York (June)

SINGAPORE

SOUTH AFRICA

Medrid SE

SWITZERLAND

Swiss Bank Ind

MS Capital Int'l

Silver (spot fixing) Copper (cash)

Coffee (May)

ITALY

All Ord.

AUSTRIA

BELGIUM

CANADA

TOKYO

FT-A All-share

FT-A Long gilt

D.i Industrials

DJ Transport

KEY MARKET

tingency plans for banks in the domestic energy states. At \$6, First City Bancorp of Texas shed S1.

Tobaccos provided a weak feature after a date was set for the next legal claim against a major cigarette manufacturer by an alleged victim of smoking. Liggett Group, a subsidiary of grand Met of the UK, must defend itself early next month in a federal court in

Boston. Philip Morris fell \$1% to \$113% and R. J. Reynolds 5% to \$39%, both in hefty trading although not all analysts agreed tobacco stocks should be sold.

However, the stock market was boosted by another recovery in IBM, which gained \$1% to \$152% in good turnover. Digital Equipment, second to IBM in the data processing business and which was also helped by comment in the invest-

ment press, jumped \$2% to \$157%.
Gains elsewhere in technology issues were more modest, Honeywell adding \$% to \$74%, Burroughs \$% to \$64% and Control Data 5% to \$23%.

Similarly undecided were the defence/aerospace stocks and the broader range of manufacturing issues. General Electric shed \$\% to \$77\% and Lockheed \$\% to \$56\%. But General Dynamics edged up \$% to \$87%.

Airlines held steady although there was concern over the explosion aboard a passenger airliner near Athens. TWA eased \$¼ to \$17% and United shaded \$% to \$56%, but Delta, at \$44%, gained \$%. Pan Am eased \$\% to \$7\%.

Bearish comment on the decisions to lay off staff and reduce production took another 5% off General Motors at \$82%. Ford joined the downturn among the

CURRENCIES

Previous

2.375

179.5

1.9825

2.6745

48.25

1.3925

U\$ BONDS

US DOLLAR

April 3

179.65

7.395

1,996

2.6875

1.631.0

48.75

1.3935

6-month USS

1400

-]1350

1300

STERLING

. 3.495

264.25

10.735

2.9175

3.935

2.0485

11%

4%s 4%s 13%

7%s 7%s 7%s 6.9 6.36

+0.02

+0.01

+0.01

+0.02

+0.08

9.85 6.70

9.03

7.24

7.04

7.39

7.82

Prev

Price 101%

89%

April 3 Previous

1.458

3.4775

7.295 10.7825

262.0

2.91

3.9175

1,608.5 2,378.0 2,367.0

2.0315

7% 7% 7% 6.9 6.31

6.885 100%

100°%2 7.241 101%2 7.33 110°2% 7.332 111°%2 7.451 121°%2 7.413 120°%2 7.512

-0.28

-0.02

-0.08

-1.29

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6.77

April 3

101%

89%

108%

102

12% Dec 2012 111% 10.94 111% 10.94

FINANCIAL FUTURES

94.07 94.13 94.07

93.09 93.03 92.98

142.86

134.00

144.58

180.98

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MONITORS

Detroit stocks, shedding \$1% to \$81%, but Chrysler steadied \$% to \$43%.

Oils remained mixed as Wall Street swayed between bullish and bearish rumours about crude prices. Exxon edged up \$% to \$56% while Mobil shaded \$% to \$29%. Ashland Oil at \$49% was \$% firmer as the stock settled after the repurchase of the Beizberg stake.

The same pattern was established among chemicals, which are also strongly influenced by oil prices, a main factor in feedstock expenses. Du Pont at \$75% was \$% up but lightly traded, as was Monsanto, up \$% at \$61%.

Brighter features were found among the retail issues, where K mart stood out with a gain of \$1 to \$46, and Toys R Us added a further \$1/2 to \$43. Sears, which has been troubled by the uncertainty in the credit markets where its financial services subsidiaries operate, recouped \$% to \$48%.

The credit markets were slightly disappointed when mid-day passed without further intervention from the Federal Reserve. Short-term rates remained unchanged, with federal funds still comfortably low at \$7% per cent for much of the

Bonds slid lower as the morning progressed, amid uncertainties over oil prices. The yield on the long-dated federal issue moved up to 7.42 per cent.

LONDON

Stores lead the charge to records

STORES LED the charge higher in London yesterday on the back of a contested battle for Woolworth.

Retailer Dixons attempted to takeover Woolworth with a bid valued at nearly £1.8bn, which was called derisory by the Woolworth board.
Woolworth touched 890p before clos-

ing 227p up at 860p while Dixons ended 50p higher at 420p.

The FT Ordinary share index rose 6.5 to 1,425.9, and the FT-SE 100 gained 14.7 to 1,717.6.

Gilts were mixed, with longs easing and shorts and index-linked stock posting small gains. Chief price changes, Page 41; Details,

Page 40: Share information service, Pages 38-39

AUSTRALIA

HEAVY TRADING in BHP, following a renewed takeover bid from Bell Resources, pushed prices higher in Sydney yesterday.

About 1m shares changed hands in BHP, which rose 4 cents to AS6.40, and Bell Resources ended steady again at A\$4.90. Parent company Bell Group lost

News Corp continued to rise, adding 40 cents to A\$16.50, and in other media issues Fairfax gained 20 cents to A\$7.70 while Herald and Weekly Times gave up 10 cents to A\$5.90.

SINGAPORE

AFTERNOON profit-taking contributed to Singapore's lower trend yesterday as worries over the political situation in Malaysia and concern over the stockbroking industry resurfaced. The Straits Times industrial index

shed 4.13 to 593.28, and turnover fell to 9.4m shares against 13.7m on

Wednesday.
Singapore Airlines was most heavily traded with 896,000 shares changing hands. It ended 35 cents lower at S\$6.15 while Raleigh, also active, lost 19 cents to SS1.85.

HONG KONG

HEALTHY corporate reports boosted Hong Kong yesterday, and prices made a strong recovery.

The Hang Seng index jumped 21.93 to 1,625.20 while the Hong Kong index, a new calculation based on 45 stocks in six sectors, gained 13.78 to 1,013.78. Utilities scored the strongest gains,

with China Light and Power 40 cents higher at HK\$15.60, Hongkong and China Gas 10 cents up at HK\$8.65 and Hongkong Telephone 30 cents firmer at

SOUTH AFRICA

FIRMNESS established itself in Johannesburg yesterday, assisted by the higher world bullion price. Vaal Reefs rose R4.50 to R222, Kloof 25 cents to R22.50, Buffels R1.50 to R74

and Driefontein R1 to R54.50. In other mining issues Gencor added R1 to R41, Rustenburg Platinum 75 cents to R35.50 and De Beers 15 cents to

Banks were mixed, with Barclays off 25 cents at R19.50 and Nedbank steady

at R6.40.

CANADA

MOST SECTORS moved higher in Toronto as Wall Street recovered Hiram Walker, top of the actives, rose

C\$\% to C\$35\% as moves were made to try to block Allied's purchase of Walker's liquor business.

Genstar was also active, adding C\$% to C557 after agreeing to accept Imasco's amended takeover bid. Imasco jumped C\$2% to C\$35%.
Golds turned lower in Montreal while

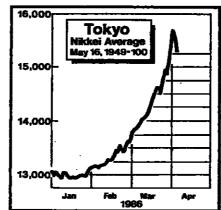
gains were made in the oil and gas

Central bank report spurs heavy selling

ing downwards yesterday, but a late rally recouped some of these earlier losses.

to 15,272.24 on a volume of 670.26m shares, down from Wednesday's 825.18m. The index shed 409 points early in the afternoon, the biggest drop on record. Losses led gains 588 to 267, with

two-month-long uptrend in prices, were prompted to unload Wednesday's warning from the Bank of Japan governor against speculative stock and bond investments held by corporations. Selling was also spurred by reports that the central bank would curb corporate lending by banks because the funds are used for speculative investment.



down Y70, after losing Y120 at one stage. Mitsui Real Estate fell Y100 to Y1,500.

Utilities also sagged, with Tokyo Electric Power plummeting Y300 temporarily and finishing Y220 down at Y3,600. To-kyo Gas fell Y13 to Y402.

Among large-capital issues Nippon Steel declined Y5 to Y172 and Mitsubishi Heavy Industries Y9 to Y399.

Bank lost further ground, dropping Y110 to Y1,870 and Y150 to Y1,950, respectively. Other financials fell, with Tokio Marine and Fire ending Y100 lower at As selling tapered off in the afternoon,

added Y24 to Y906 on the heaviest trading of 33.34m shares. Dredging companies became popular, bolstered by the Y5,000bn project to build a new international airport off Osaka. Penta-Ocean Construction, the

WARY INVESTORS sent Tokyo plung-

urites Shigeo Nishiwaki of Jiji Press.
The Nikkei average registered its fourth steepest fall ever of 283.27 points

92 issues unchanged.
Investors, increasingly wary of the

Light selling by individual investors began in the morning, pushing down the leading issues which had fuelled the



market's upsurge. Mitsubishi Estate slipped below Y2,000 to close at Y1,940,

Asset-heavy Nippon Yusen was Y18 down at Y449 and Tokyu Y14 to Y878.

Nomura Securities and Sumitomo

purchases of major speculative stocks

increased, taking leading issues with them. Notable among gainers was Asahi Chemical, which continued to rise and

fourth busiest share, soared Y80 to Y577, and Toyo Construction Y80 to Y509, both daily limit gains. Nihon Cement advanced Y18 to Y578 on the second largest volume of 25.17m shares.

On the bond market panic selling sharply boosted the yield on the bellwether 6.2 per cent government bond due in July 1995 to 4.73 per cent from Wednesday's 4.575 per cent. But buying later soared as hopes grew that the central bank's lending curbs would be relatively light and drove the yield down to 4.590 per cent. On the over-the-counter market the bond traded later at a yield of 4.560 per cent, lower than on Wednes-

EUROPE

Highs hit as upturn resumes

THE UPWARD trend resumed in Europe yesterday as investors were encouraged by a late overnight recovery on Wall Street, the firmer dollar and more stable oil prices.

All the major bourses ended the day higher, with Brussels and Stockholm again leading the pack to close at new highs for the year for the third consecutive session.

Lower unemployment figures for March helped lift Frankfurt out of Wednesday's lethargy. The Commerzbank managed an increase of 16.9 to close at

Banks led much of the rise boosted by hopes of lower interest rates. Deutsche Bank added DM 15 to DM 877 on hopes of good profits from the planned flotation of the Flick industrial group, Dresdner was up DM 6.50 to DM 454.50 ex rights and Commerzbank firmed DM 3 to DM 331.50.

Car makers also closed generally higher, with VW up DM 4.20 at DM 603.20 following plans to boost capital spending and BMW was DM 5 higher at DM 547. Daimler again fell DM 1 to DM

Chemical stock BASF, which and nounced higher profits, rose DM 3.30 to DM 320, and Hoechst added 50 pfg to DM 312.50. Profit-taking left Bayer DM 2 lower at DM 342.50. Electricals closed mixed leaving Sie-

mens DM 1.80 up at DM 702:80 but AEG 70 pfg off at DM 332.20.

In the bond market profit-taking left longer-dated issues up to 20 basis points lower with prices of shorter-dated matu-

rities also lower.

The Bundesbank bought DM 3.9m of domestic paper compared with DM 40.6m on Wednesday.
US factors helped Amsterdam to close

a marginal 1.6 higher at 268.9 although some shares had edged back from their

day's high by the close."

Royal Dutch continued to rise on oil price hopes adding Fl 1 to Fl 193.30. Good gains by Unilever, up Fl 4.7 at Fl 426, and Akzo up Fl 2.3 at Fl 176.20, helped the market end higher on balance.
Among banks ABN rose FI 1.50 to FI 597.50, but NMB, which announced a rights issue on Wednesday, slipped FI 5

to F1 207.50. Steel group Hoogovens, which plans a one-for-10 rights issue, closed up FI 1.60

at Fl 102. Most bond prices ended unchanged in

thin trading.

Continued optimism over the economy gave another boost to Brussels where the Belgian Stock Exchange in-dex rose 27.29 to a 1986 peak of 3,609.46. Petrofina again shrugged off oil wor-

ries and added BFr 90 to close at BFr. Financials generally rose with the trend GBL added BFr 65 to BFr 3,215 although Société Génerale de Belgique,

which has been boosted by good 1985 earnings, ended BFr 10 down at BFr

Among utilities Intercom closed BFr 15 to BFr 3,910, and EBES added BFr 95. to BFr 4,785. Institutional buying, spurred by the firmer dollar, again lifted Zurich.

Banks and insurances in particular saw healthy gains and encouraged much of the rise with Bank Baer bearer adding SFr 450 to SFr 16,400, Swiss Bank SFr 4 to SFr 616, Winterthur SFr 250 to SFr 6,600 and Baloise participation certificate SFr 150 to SFr 3,325.

Smaller gains were recorded in chemieals, with Ciba Geigy up SFr 65 at SFr 4,055 and Sandoz up SFr 30 to SFr 1,890-Bonds closed mostly unchanged.

Milan moved against the trend, closing lower on the first day of Consob's crackdown on option dealing in a hid to dampen speculation. However, some blue chips ended the

day higher, with Fiat on hopes of an agreement with Ford in Europe, up L200 at L12,750, and Olivetti L650 higher at L17,208. Montedison, which announced its first profits since 1979, closed L39 higher at LA,430.

A new all-time neak was reached in Stockholm for the third consecutive session this week as hopes grew for a quick settlement of the current wage talks. Among actives Ericsson added SKr 5

to SKr 290, Volvo SKr 14 to SKr 363 and ASEA SKE to SKr 450. Profit-taking died off in Paris which resumed its upward trend while Oslo continued firmer led again by rising oil shares. Utilities took Madrid lower.

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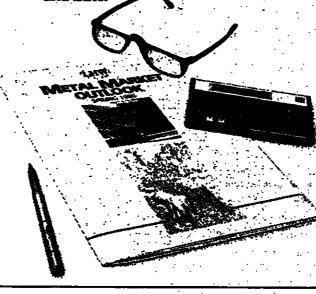
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